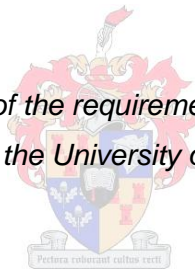


# **THE RETENTION OF SCARCE SKILLS: THE CASE OF CITY OF CAPE TOWN MUNICIPALITY – AN ANALYSIS**

By

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## **Declaration**

By submitting this research report electronically, I, Nothemba Griselda Lepheana, declare that the entirety of the work contained therein is my own, original work, that I am the owner of the copyright thereof (unless to the extent explicitly otherwise stated) and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

Nothemba Griselda Lepheana

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## **Abstract**

The scarce skills phenomenon has become a cause for concern and priority for both public and private sectors as discussed in various research studies. Both these sectors have a quest to retain these scarce skills by making use of their limited resources.

In the light of the above context, this study focuses on the analysis of the retention of scarce skills within the City of Cape Town Municipality, with the primary objective of ascertaining the effectiveness of its retention strategy on retaining civil engineers. For purposes of this research, a case study design was used to answer the study question. The sample consisted of 30 percent of the present and past civil engineers, from junior to senior levels. This sample also included employees from the human resource department of the municipality. Content analysis was used to analyse data which was gathered through focus groups, exit and personal interviews.

The literature investigation explored reasons why employees were leaving their organisations. The study further traced various thoughts and debates related to challenges and strategies associated with scarce skills retention. From the literature review it became evident that although the retention approaches and strategies vary from one organisation to another, they share common traits. However there is no one cap fits all.

Results indicate that the majority of respondents expressed satisfaction about all pre-determined themes of the study. These themes were based on aspects related to remuneration and benefits, job satisfaction and working conditions, climate and culture, leadership and career development. Areas of dissatisfaction were raised under common themes which emerged during the study. These themes included, amongst others, outsourcing of major projects, bureaucracy, political environment and human resource policies and procedures.

Based on the findings of the study, the research concludes with recommendations applicable to the municipality and also provides those relevant for further study. Due to the technical composition of the sample, the results of the study cannot be inferred to all occupational groups within the organisation.

## Opsomming

Die skaarsheid van vaardighede het 'n kommerwekkende verskynsel geword vir private en publieke sektore. Dit is die taak van albei sektore om skaars vaardighede te behou, deur gebruik te maak van hul beperkte bronne.

In die lig van bostaande stellings, fokus hierdie studie op die analise van skaars vaardighede binne die Kaapstadse Munisipaliteit, met die primêre doel om die effektiwiteit van sy behoudstrategie vir die behoud van siviele ingenieurs te bepaal. 'n Gevallestudie-ontwerp was gebruik vir hierdie ondersoek, om die studievraagstuk te beantwoord. Die ondersoekgroep het bestaan uit 'n samestelling van 30 persent van huidige en voormalige siviele ingenieurs, vanaf junior tot senior vlakke. Die ondersoekgroep het ook werkers binne die departement van personeelbestuur in die munisipaliteit ingesluit. Inhoudsanalise was gebruik om data te analiseer wat deur fokusgroepe, uitgang en persoonlike onderhoude ingesamel is.

Die literêre ondersoek het die redes waarom werkers hul organisasies verlaat, verken. Die studie weerspieël verder denke wat verband hou met die uitdagings en strategieë wat met die behoud van skaars vaardighede geassosieer word. Die literêre ondersoek het bewys dat behoudstrategieë onderling eienskappe deel, alhoewel die strategieë van een organisasie van dié van 'n ander in geheel verskil. Daar is egter geen jas wat by almal pas nie.

Resultate toon dat die meerderheid van respondente tevredenheid toon met alle voorafbepaalde studietemas. Hierdie temas is gebaseer op aspekte wat verband hou met besoldiging en voordele, werktevredenheid en werksomstandighede, klimaat en kultuur, leierskap en beroepsontwikkeling. Areas van ontevredenheid is geïdentifiseer onder algemene temas wat tydens die studie opgekom het. Hierdie temas sluit in, onder andere, eksterne bronontginning vir groot projekte, burokrasie, politieke konteks, asook beleid en prosedures van menslike hulpbronne. Ter afsluiting: voorstelle word gemaak wat gebaseer is op die resultate van die ondersoek, wat van toepassing is op die munisipaliteit en voorsien dit wat relevant is vir verdere studie. Die resultate van die ondersoek kan nie op alle werkgroepe binne die organisasie van toepassing wees nie, weens die tegniese samestelling van die ondersoekgroep.

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## **List of acronyms and abbreviations**

CESA	Consulting Engineers of South Africa
CIDB	Construction Industry Development Board
DPSA	Department for Public Service and Administration
ECSA	Engineering Council of South Africa
GDP	Gross Domestic Product
HR	Human Resource
HRDI	Human Resource Development International
ICE	Institution of Civil Engineers
IDP	Integrated Development Plan
IMESA	Institute of Municipal Engineering of South Africa
IRT	Integrated Rapid Transit
KPAs	Key Performance Areas
MEC	Member of Executive Committee
MQA	Mining Qualifications Authority
SAICE	South African Institution of Civil Engineering
SDBIP	Service Delivery and Budget Implementation Plan
SETAs	Sector Education and Training Authorities
UCT	University of Cape Town

# CHAPTER 1

## INTRODUCTION

### 1.1 BACKGROUND

Today's world is more turbulent, chaotic and challenging than ever before (Kanter, 1995). It is characterised by a quest to retain scarce skills within both the public and private sector. In South Africa this quest has headed the public sector agenda for quite some time as such skills are crucial for the provision of infrastructure services. It is, therefore, important that organisations should recognise their employees as being their important functional resources. Holtom, Mitchell and Lee (2006:329) further state that skills retention will remain a challenge for organisations until they start treating their employees as people who have both personal and work-related commitments.

According to Cooper, Robertson and Tinline (2003), many sectors experience the challenge of skilled and experienced staff, with the working population being more highly mobile than ever before. Gone are the days when employers used to pick and choose the best candidates from a large pool of skilled candidates. These days, employees are directed towards joining the best organisations, where they will be developed and retained. An economic argument on labour turnover (Campbell, 1993; Weiss, 1984) states that, where skills are more scarce and expensive than they are 'excessive', the degree of turnover results in inefficiency. Such a situation calls, as a corollary, for organisations to ensure the retention of their skilled employees, due to their possession of scarce skills. Ulrich (2002) further affirms such a fact, and argues that gone are the days when the competitive edge of organisations used to rely on products, as they now rely on their human resources. He further states that employees are regarded by most organisations as a source of competitive advantage, so that it is crucial that they be retained.

A study of this kind suggests the need for developing a strategic perspective that positions the retention of scarce skills in such a way within the field of human resource (HR) management that it can be seen not only within a South African context, but also within a more strategic perspective and as a crucial item on the agenda of all organisations. For purposes of this study, the retention of scarce skills will focus on the engineering profession within the City of Cape Town Municipality. As there are various types of engineers, for manageability purposes, only civil engineers will be dealt with. The Institution of Civil Engineers (ICE) defines civil engineering as the oldest engineering professional discipline that deals with the design and construction of the physical and natural built environment, including works such as bridges, roads, canals, dams and buildings (Institution of Civil Engineers, 2005).

## **1.2 RESEARCH PROBLEM**

The research problem of this study gravitates around the need for an improved and efficient HR management system that is aimed at retaining the scarce skills of civil engineers within the City of Cape Town Municipality. The Municipality has long noticed the potential in its employees, which it has recognised as giving it a competitive advantage. However, the Municipality is not immune from the challenge of having to compete with the private sector and with other countries in addition to the rest of South Africa in trying to retain its scarce resources.

As the Municipality is continuously faced with the shortage of scarce skills that are associated with engineers, the researcher has identified a need to analyse the Municipality's strategy in trying to retain such professionals, as their turnover could have a negative impact on service delivery. The current research will, therefore, concentrate on the period from when democratic local government was first introduced in South Africa, which resulted in seven smaller municipalities being merged to form one large one, which has come to be known as the City of Cape Town.

Grinnell (1997:18) emphasises that potential researchers are first motivated to choose their topic of study when they discern that a particular problem statement requires further research. The present researcher has for the past five years been employed by the Finance Department of the Municipality, with her motivation for the study mainly originating from an interest around analysing the Municipality's retention strategy on scarce skills, which has resulted in the current study.

## **1.3 RESEARCH OBJECTIVES AND QUESTIONS**

### **1.3.1 Research objectives**

For the purposes of the current study, the following research objectives were devised:

- to critically analyse the City of Cape Town's retention strategy and model;
- to identify and analyse retention challenges and strategies; and
- to make recommendations on how the retention strategy can best be implemented.

### **1.3.2 Research questions**

According to De Vos and Strydom (1998:268), questions are there to set boundaries for what is to be studied. In view of this and information discussed under Section 1.2 above, the following questions are the focus of the current research:

- Does the City of Cape Town Municipality have a scarce skills retention strategy?

- Is the City of Cape Town Municipality's scarce skills retention strategy implemented effectively?

## **1.4 RESEARCH DESIGN AND METHODOLOGY**

The current study used the case study in answering the study questions. Yin (1994:12) defines a case study as "an intensive, systematic investigation of a single individual, group, community or some other unit, typically conducted under naturalistic conditions, in which the investigator examines in-depth data related to background, current status, environmental characteristics and interactions". In this study, a single case study was chosen by the researcher for conducting an in-depth analysis of the City of Cape Town Municipality's scarce skills retention strategy, with the focus on civil engineers.

Furthermore, the design allowed the researcher to utilise a qualitative method in obtaining relevant information. A qualitative methodology was found to be a way of gaining insight through discovering meanings. It is further stated that, in qualitative research, there is no single reality, and that reality is based on perceptions, which are different for each person and which change over time. This phenomenon is of value when one wants to discover new knowledge, to use narrative descriptions in the findings and to conduct interviews with individuals (Burns & Grove, 1997). Finally, it is stated that, within a qualitative approach, the phenomenon can be understood in all its complexity and in terms of the particular situation and environment in which it occurs (Patton, 1990; Silverman, 2004).

Both primary and secondary data were utilised in the research. Data was collected and analysed to provide the qualitative results of the study. The nature of data collected from sources was more textual (in the form of interviews), with some numerical data from reports also being used as part of the information. The sources of this data were as follows:

### **1.4.1 Primary data**

The researcher made use of a qualitative method to obtain the necessary information and data to address the research problem highlighted in the study. Exit interviews, focus groups and personal interviews were conducted with a representative sample comprised of civil engineers and human resource officials. The researcher used exit interviews for civil engineers who resigned from the municipality. An exit interview is a process normally followed by human resource officials in sourcing out reasons for departure from officials who resign from organisations. Personal interviews were used for current civil engineers. Finally, focus groups were used for interviews with human resource officials. According to Krueger and Casey (2001:11), a focus group is a form of qualitative research representative of a more natural environment than an individual interview

where participants are influencing each other just like in a real situation. A group of people are interviewed about their opinions, attitudes and perceptions towards a certain topic. In-depth, semi-structured and open-ended personal interviews were conducted with current and past engineers and some human resource (HR) staff. The researcher's objective was to establish certain themes, but an option was left open to discover other themes that would emerge.

Pertaining to the sample size, Babbie (2004:190) views sampling as a subset of the population which the researcher is interested to study. Morse (1991) further states that theoretical richness has nothing to do with how much or how many at all. What is important is that the researcher must seek to describe the experiences as richly and accurately as possible. According to De Vos and Strydom (2002:194), a sample of ten percent serves as a handy rule of thumb.

Based on this, the researcher decided to use ten percent of the total sample size. However, at the point of conducting interviews, the researcher ended up getting a positive response rate of 20 percent. Out of a total of 150 civil engineers, 30 were randomly selected from management level downwards and they agreed to be interviewed. In addition to that, four human resource officials who work with the retention strategy and recruitment and selection processes and also five civil engineers who had since resigned were also interviewed.

- **Interview procedure**

The interviews were conducted personally by the researcher. The purpose of the interview was explained to all respondents. The researcher also explained that all the information was going to be treated with confidentiality and their names would not be mentioned in the research document. The tape recorder was used to record most proceedings. In certain instances, respondents were not comfortable to be recorded and the researcher wrote down all the information from the respondents.

The data collected from interviews was transcribed from the tape recorder and noted into a Microsoft document for purposes of coding, editing, and easy linkage of data to chapters of the study.

- **Personal and focus group interviews**

As reported above, the researcher conducted interviews with 30 engineers. This represents a response rate of 20 percent. Four human resource officials were selected for a focus group. The questionnaires were designed and questions were formulated to assist the researcher when asking questions. Interviews were set up with respondents and these interviews were conducted in their offices or convenient venues.



- **Exit interviews**

Exit interviews were conducted with employees who had left the municipality. Out of approximately 31 engineers who had resigned in 2006 (IMESA, 2007), the researcher located five and they agreed to participate in the study. This represents 16 percent of the total population.

#### **1.4.2 Secondary data**

Information associated with the topic of the study was obtained from such documentation as annual, strategic planning, management and newspaper reports, as well as websites. The information was compared with that which was collected during the research stage of the study, and, if found relevant, was used.

### **1.5 DATA ANALYSIS**

The researcher used content analysis to analyse data obtained through semi-structured open-ended interviews. Content analysis is a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding (Weber, 1990). This method of analysis assists in coding open-ended questions, whereby coding refers to the analytical process where data is categorised, thereby disclosing differences in communication content and identifying reflections in cultural patterns and psychological state within sample groups (Weber, 1990). This method is useful in dealing with large volumes of data, and goes beyond simply being word frequency counts. According to Welman and Krueger (2002:211), it is important to identify themes before, during and after the data collection when using focus groups. Open-ended questions were used for personal and exit interviews in order to get detailed information from respondents.

The researcher used responses from respondents to evaluate the effectiveness of the implementation of the municipality's retention strategy. The analysis of the retention strategy was further informed by the descriptive analysis of information obtained from the municipality's Service Delivery and Budget Implementation Plan (SDBIP) where retention of scarce skill's target was compared with actuals achieved in retaining scarce skills. This plan refers to the municipality's performance management plan where service delivery targets set to measure its overall performance including its ability to retain scarce skills are compared with actual results. In this manner the municipality's retention strategy was put into test.

### **1.6 CHAPTER OUTLINE**

Based on the preceding research problem, objectives and questions, the chapter outline is given below.

## **Chapter 1**

Chapter 1 has introduced the research topic and defined the research problem. The chapter has further presented the study objectives and questions. Finally, the researcher has provided the research design and methodology.

## **Chapter 2**

Chapter 2 consists of the literature review of material related to the retention of scarce skills. The chapter starts by giving a conceptual clarification of, and a theoretical perspective on, the retention of scarce skills, including relevant definitions. The chapter further presents reasons for employees leaving organisations. The chapter concludes by providing challenges and strategies related to the retention of scarce skills, with an emphasis on civil engineers.

## **Chapter 3**

Chapter 3 provides a case study of the City of Cape Town Municipality, starting with a brief overview of the Municipality concerned. The municipal processes relating to labour turnover, recruitment and selection, and retention of scarce skills are analysed.

## **Chapter 4**

Chapter 4 provides results and discussions in the context of information covered in the literature review and case study.

## **Chapter 5**

Chapter 5 summarises the main findings of the research. The chapter further provides recommendations to these findings and draws conclusions to the study.

## **1.7 CONCLUSION**

Chapter 1 focused on introducing the topic of study and the research problem, after which the research objectives and questions of the study were listed. The limitations of the study were then noted. The chapter further focused on the design and methodology of the study as formulated in an attempt to answer the research questions and to achieve the objectives of the study. Chapter 2 will take the discussion further by focusing on literature that was found to be relevant to the study.

## **CHAPTER 2**

### **THE RETENTION OF SCARCE SKILLS: A LITERATURE STUDY**

#### **2.1 INTRODUCTION**

The previous chapter introduced the topic of retention of scarce skills and provided the rationale for the current study. The chapter presented the research problem and the objectives of the study, and also outlined the design of and the methodology to be followed during the study. The current chapter provides an analysis of literature related to the retention of scarce skills, with specific focus on civil engineers. The initial focus of the chapter is to inform and to orientate the discussion on the retention of scarce skills in order to clarify the researcher's understanding of the concept. In addition, a brief review of other concepts related to scarce skills is provided. In this regard, the argumentative content of the discussion is used to shape the specifications and generalisations made.

Although the study focuses on the retention of scarce skills related to the civil engineering profession within the City of Cape Town Municipality, it broadly discusses the scarce skills shortages in general, in relation to which attempts were made to integrate and align definitions scientifically, based on the concept of 'scarce skills shortages'. The theoretical framework used to underscore the concept of 'retention of scarce skills' is discussed in detail in Section 2.2 below. In this section, the insights gained into the conceptual clarification of the retention of scarce skills will receive attention, with an emphasis on related definitions.

#### **2.2 CONCEPTUAL CLARIFICATION AND THEORETICAL PERSPECTIVE ON RETENTION OF SCARCE SKILLS**

##### **2.2.1 Definition: Scarce skills shortages**

In the above-mentioned section, the researcher introduced the concept of 'retention of scarce skills shortage'. In this section, in addition to defining the concept, the researcher discusses the various authors' points of view clarifying the concept of 'skills shortage'. The researcher then postulates working definitions for the concepts concerned, in order to show her insight on the discussion that follows. The current study reviews the literature on retention of scarce skills, but, before illustrating the topic under discussion any further, the researcher will to explain the concept 'skills shortages' and its related dimensions.

Despite 'skills shortages' having become buzz words in the public sector, it has been demonstrated that different government departments have a range of views concerning definition of the term. There are two main reasons for the existence of such a range of views. The first is largely due to

the omission in any official government literature of any linkage of the concept to productivity. The second underpins the complexity of the administrative framework that threatens to undermine the effective administration of skills development in South Africa (Daniels, 2007:i). In his observation and explanation of the existing situation, Daniels (2007:i) refers to a poorly administered and coordinated linkage between the Departments of Labour and Education that was aimed at providing skills training and at accrediting individuals with a qualification. The researcher emphasises the fact that the Sector Education and Training Authorities (SETAs) which are tasked to ensure skills identification and training in all South African sectors, were, at the time of his study, under-performing on their mandate to provide skills training for the unemployed. To elaborate more on this, Table 2.1 below contains information extracted from the Department of Labour, listing SETA services and confirming the notion that SETAs were unsuccessful, thus contributing to shortage of scarce skills. From this table, a score of 1 indicates that respondents do not think that SETAs perform, whilst a score of 5 indicates that respondents think that SETAs are doing well. It is evident that for each and every service, approximately 35 percent (average) of respondents do not think that SETAs are doing a good job, whilst an average of 3.6 percent think that SETAs are performing well and an average of 30 percent could not comment, which may be due to their lack of information on the mandate of SETAs.

**Table 2.1: SETA performance levels**

Services	1	2	3	4	5	Could not comment
	%	%	%	%	%	%
Advice and support (learnerships)	34.5	9.8	18.0	8.2	4.1	25.3
Easy submission procedures	30.9	7.2	21.6	7.7	3.6	28.9
Internet site and web pages	35.1	8.8	15.5	4.1	4.6	32.0
Promptness in paying grants	33.0	7.7	15.5	3.1	3.1	37.6
Providing information about courses, programmes and training	32.5	8.8	21.6	6.7	5.2	25.3
Providing information about grants	35.1	9.8	20.6	4.6	2.6	27.3
Providing Sector Skills Plans	40.2	9.8	14.4	3.6	2.6	29.4
Provision of free training not funded by employees	40.2	8.8	12.4	5.2	3.1	30.4
Response to queries	32.5	6.2	17.0	5.2	3.6	32.5

Source: Department of Labour, 2005.

Daniels (2007:1) further argues that, economists think of skills shortages as being based on intrinsic aspects related to firm-based productivity. Common sense and empirical consideration find such an assumption to be too narrow to serve as a scientific definition accommodating a balanced understanding of the concept of skills shortages.

The government regards skills shortages in terms of both absolute and relative connotations, neither of which, however, is related to economists' narrower appreciation of the concept of productivity as such. In the first instance, the government argues that the term 'skills' is understood to refer to both qualification and skills. In fact, scarce skills, to use the terminology of Food & Beverage SETA (2005:42), as quoted by the Department of Labour and SETA, refers to "occupations in which there is a scarcity of qualified and experienced people, currently or anticipated in the future either (a) because such skilled people are not available, or (b) because they are available but do not meet employment criteria". In contrast, scarcity encapsulates a situation in which "suitably skilled people exist, but do not meet other employment criteria, especially if these people happen to live in different geographical areas, or do not satisfy Black Empowerment criteria" Food & Beverage SETA (2005:42).

It is worthwhile quoting at length the Department of Labour's and SETA's understanding of the definition of the concept 'skills shortages'. The two bodies argue that such shortages can arise either due to an absolute scarcity of the skills concerned, or their relative scarcity. For the Department of Labour and SETA, absolute scarcity refers to the "suitability of people that are not available, for example as in the new emerging occupation, i.e. biotechnology, information technology; a lack of sufficient numbers of workers with specific skills, or insufficient numbers to satisfy replacement demand". However, skills shortages cannot only be considered in terms of the scarce and critical skills that underpin some form of advanced qualification in a 'high-skill' setting. In one of Kraak's (2004, 2005) works, for instance, in which the researcher specifically defines the concept, emphasis is placed on the fact that 'high skills' alone is not a sine qua non condition in the development of an economy in an emerging democracy, such as South Africa. Kraak (2004:213) takes cognisance of the fact that the focus on low-skilled strategies should be re-examined positively, with unemployment and stimulation of labour-intensive forms of production being mainstreamed as a prime target to be addressed. He remarks further that an exclusive emphasis on 'high skills' strategy tends to ignore the tough conditions and constraints that developing economies face in their attempts to move up what he refers to as the 'value chain' (Kraak, 2004).

Taking all his arguments into consideration, Kraak's views fit the requirements of a working definition well, since he makes it clear, as a corollary, that one should think of 'skills shortages' as "comprising everything from most advanced qualifications (including civil engineering) to the most elementary", and of 'skills development' as "something that may be needed for different people at

different stages of their life cycle, or over the business cycle, or both” (Kraak, 2004). The theoretical consideration paid by Kraak (2004:213) to the definition of skills shortages is appealing, objective and scientifically balanced. However, in the light of the guidelines that are pursued in the current study with reference to the shortage of skills, the researcher prefers limiting the scope of the topic under examination to only those skills that relate to civil engineering in the public sector.

At this point, it is crucial to link the above-mentioned definition to the current study. In her recent study, Lawless (2007:321) highlights that the scarcity of civil engineers in South Africa is a cause for concern by pointing out that, 83 municipalities out of approximately 278 municipalities had, between 2004 and 2005, indicated that they operated without civil engineers, with the remainder of the municipalities suffering from 40 percent to 60 percent civil engineering related vacancies within their organograms. The civil engineering profession is also appearing in the Mining Qualifications Authority (MQA) scarce skills guide (MQA, 2010) as one of the scarce skills which need urgent attention within the country. In view of the above, the researcher concludes that it is relevant to refer to the civil engineering profession as a high skill.

Having found a common ground on which to define the concept of scarce skills shortages, the aim of the current researcher is to link the definition of the term to indicators that drive the definition in such a way that a synchronised and holistic understanding of the concept is achieved.

### **2.2.2 Definition: Skills retention**

In Section 2.1 above, a common ground was found on which to define the concept of ‘scarce skills shortages’. The focus of the study will now come to bear on the definition of ‘skills retention’. Although writers’ views on the topic sometimes differ, according to Carter, Giber and Goldsmith (2001:301), “retention is one of the most misunderstood areas in management. It’s an area that until recently received little focus. Firms seldom have retention departments, in many cases no one is in charge of retention”. For Pritchard (2007:140), the implications of an absence of a successful retention strategy results in new employees entering through the front door, and skilled experienced, employees walking out the back door.

Schuler and Jackson (2006:216) define retention activities as “everything an employer does to encourage qualified and productive employees to continue working for the organisation”. Retention originates from the fact that people leave organisations. The Department for Public Service and Administration (DPSA) (2006:12) asserts that ‘skills retention’ can be conceived in terms of:

- attracting employees to join an organisation by means of focused recruitment strategies;

- keeping those who are already employed – especially those whose skills are crucial to the organisation;
- the motivating of staff;
- covering both the psychological aspects of the employee (their perception of themselves, their goals and their behaviours) and the operational aspects attached to the job or tasks that they are required to do in terms of their appointment;
- either being part of day-to-day HR management, or as being undertaken as a specific strategy for obtaining or retaining staff;
- requiring a management approach that takes all factors (both inside and outside the organisation) into account; and
- being linked to, and making demands on, almost all other HR management practices.

For purposes of the current research, the definition by DPSA, due to its strategic nature, will be used as a working definition for skills retention. Furthermore, the understanding of the concept of 'retention of skills', as defined above, leads to a need to define the concept of 'labour turnover', as both terms are intertwined and interrelated. In Section 2.2.3 that follows, the definition of 'labour turnover' will, therefore, be considered.

### **2.2.3 Definition: Labour turnover**

In the previous section of this thesis, various definitions of skills retention were explored in order to arrive at a working definition. In an effort to bring meaning to the other related terms, the concept 'labour turnover' will now be defined.

'Labour turnover' is one of the HR phenomena of which the definition has been a matter of inquiry for several decades. Lane (2002:1), who defines labour turnover as the results of resignations and retrenchments, states that some labour turnover is caused by jobs being destroyed in one organisation and being created in another.

According to Boxall and Baldwin (2002:2), 'labour turnover' is likely to affect levels of productivity, which is bad for an organisation. However, labour turnover is not always bad, as sometimes it allows for the development and promotion of the staff that remain behind, as well as creates opportunities for new ideas to enter the organisation.

It is important to note that employee turnover is not an event, but a process that takes days, weeks, months or even years before a decision to resign is made (Branham, 2005). The intervening period is, therefore, important for management to capitalise on in terms of designing strategies that will result in the employees concerned changing their minds, so that the organisation can retain them. The debate on labour turnover will now be taken further by discussing the reasons for employees leaving organisations, so that strategies can be developed to reduce such turnover.

### **2.3 RETENTION OF SCARCE SKILLS: REASONS FOR EMPLOYEES LEAVING ORGANISATIONS**

Having outlined the relevant definitions in the previous sections, it is imperative that the literature review of the study starts with investigating the reasons why employees leave their organisations. Employees' decisions to leave organisations are complex. It is rare that employees leave because of a single event. Most employees leave because of a number of events that accumulate and become unbearable. In all organisations, employees play a crucial role in rendering services. However, if employees are not happy in their current jobs, they tend to look for more appropriate opportunities outside their immediate work environment. In support of such a postulation, Pearce (1999:288) states that human beings are regarded as gems of the organisation, as the existence of organisations depends on the availability of best-performing employees. Thus, it is important that the reasons for employees leaving their organisations should be dealt with before retention practices are considered.

A study conducted by Harvard University in Mengel (2001:32) concluded that approximately 80 percent of employee turnover is due to hiring mistakes such as hiring a candidate that does not match the job requirements. These mistakes can cost an organisation up to 90 percent of the unsuccessful recruit's salary. In support of this, Drizin and Schneider (2004:14) state that "replacing professional employees can cost as much as 18 month's salary, a factor capable of causing large firms to spend ten millions of dollars annually on replacement costs alone". Other costs which impact to the profit margins of organisations include, amongst others, those linked to loss of institutional knowledge and training costs. Ramiall (2004:52) reaffirms this by stating that "there is significant economic impact with an organisation losing its critical employees, especially given the knowledge that is lost with the employees departure".

Many different fields of study have conducted research into identifying the causes of labour turnover in an attempt to identify fitting strategies for effectively reducing the problem. Branham (2005) identifies the causes for staff attrition as being the following:



- The job or workplace was not as expected.
- A mismatch occurred between the job and the employee filling the relevant post.
- Too few growth and advancement opportunities were available.
- The staff in question felt devalued and unrecognised.
- A loss of trust and confidence in the senior leaders of the organisation was experienced.

According to Ahlrichs (2000:152,155), four main reasons for new-hire turnover include counteroffers, second offers, poor orientation processes and experience at the workplace not matching the interview job description. However, Cartor (as cited in Ahlrichs, 2000:156) states that long-term good performers have different reasons to leave, and these include:

- There is no link between performance and pay.
- Employees cannot identify advancement or growth opportunities.
- The job is viewed as unimportant.
- Employees do not feel appreciated.
- Their abilities are not fully utilised.
- Management expectations are unclear or unrealistic.
- A feeling that no or only limited support and or resources are allocated.
- When there is evidence of corporate abuse.

In one study conducted on high attrition of South African Air force pilots by Louw (1999 as cited in Wood, 2001), he states that the reasons for high attrition do not only originate from remuneration but also from the following:

- poor hygiene conditions which affect the employees;
- uncertainty due to transformation and loss of confidence in management style; and
- a decrease in service benefits.

In another study, Taylor (2002:60) emphasises that it is critical to find reasons for employees leaving organisations, before any measures can be put in place to improve staff retention. Reasons differ, and some might be more significant than others. Taylor (2002:66) further states that William Mobley's study was the first undertaken in modern business to highlight the complexity of most resignation decisions. Taylor (2002:66) divides the reasons for employee attrition into four major categories, being 'pull-type' causes, 'push-type' causes, unavoidable causes, and departures that are initiated by the employer more than by the employee (with the latter reason being termed 'involuntary turnover').

### **2.3.1 Pull factors**

Pull factors are associated with those situations in which an employee is positively attracted to alternative employment. An employee might be fully satisfied in his or her current job, but be desirous of making a move in search of improved conditions, such as better pay, greater job security, more benefits, opportunities to work overseas, and any of a number of other lucrative reasons. It might also happen that an employee leaves to join some colleagues, or that he or she is attracted by the high-profile nature of an organisation. To reduce resignation rates caused by pull factors, it is critical for organisations to spend some time finding out what employees value in the organisation, so as to ensure that they provide it.

### **2.3.2 Push factors**

Contrary to pull factors, push factors are based on the assumption that there is something wrong with the current employer. In this type of situation, an employee moves because he or she does not enjoy the current job, and makes the move to secure a 'better job'. The reasons for leaving that are associated with push factors range from dislike of current job culture to personality differences with colleagues. Perceptions of boredom and unfairness characterise such factors. Taylor (2002:66) argues that Mobley even believes that, in practice, push factors exert more control than do pull factors. In response, organisations need to identify the root causes of dissatisfaction, which might include policy reviews and the training of supervisors and managers.

### **2.3.3 Unavoidable (voluntary) causes**

In most instances, unavoidable causes are outside the control of the employer. Such causes, which are mostly not connected to the employee's work, include retirement, illness, maternity, and relocation. Although it might seem that nothing can be done to reduce the related turnover, organisations must know that in cases like employees not returning after having had a baby, much can be done to change the minds of most employees if they are satisfied in their jobs. Rich (2002) identifies the following four reasons why turnover related to voluntary causes is not managed properly in certain organisations:

- When managers calculate costs related to turnover, they often fail to include costs related to lost income and productivity, as they find it difficult to estimate such costs.
- Few organisations know what the exact true root causes of their turnover are.
- Due to the above-mentioned points, most organisations fail to prioritise actions towards reducing turnover.
- In most organisations it is unclear who is in charge of reducing voluntary turnover.

Rich (2002) further highlights three steps that need to be taken into account when dealing with any voluntary turnover. The first underscores the parameters that cause organisations to calculate, either directly or indirectly, any opportunity costs, especially if such opportunity is related to voluntary costs. The second postulated step is related to identifying the root causes related to turnover. In the latter instance, a holistic solution for the turnover problem should be developed.

#### **2.3.4 Involuntary causes**

Involuntary causes are initiated by employers. Instances linked to such causes include redundancies, the cancellation of fixed-term contracts, and many other types of dismissal. Although involuntary turnover is initiated by the employer, it can also be avoided through good recruitment and selection processes, avoiding making poor decisions regarding the right candidates. Another way of avoiding such turnover is through good supervision and proper staff management.

Winterton, J (2004:372) in Human Resource Development International (HRDI) stipulates that there are three main reasons why employees leave organisations, namely retirement, dismissal, and voluntary resignation. Although voluntary resignation is dependent on a decision made by an employee, retirement can be influenced by management (particularly during restructuring of an organisation) and by legislation. Dismissals are influenced by management and handled through prescribed labour legislative processes. The Human Sciences Research Council summarises the reasons for skilled employees leaving South Africa as being crime, the high cost of living, and the perceived decline in service delivery levels (HSRC, 2003).

The above-mentioned reasons involve generic factors for why employees from different sectors leave their organisations. In conclusion, it can be inferred that in the majority of cases high employee turnover is caused by poor management skills, insufficient remuneration and other service benefits, few growth and development opportunities, staff feeling devalued and unappreciated, mismatch between the job and the incumbent and poor working conditions.

The following section will now focus on why engineers leave their organisations.

## **2.4 RETENTION OF SCARCE SKILLS: THE RATIONALE FOR ENGINEERS LEAVING**

Section 2.3 above dealt with the general reasons why employees leave their organisations. The current section describes why engineers tend to leave their employers, thus resulting in a shortage of their skills within their sector. The official numbers of skills shortages within the engineering profession are unknown, mainly due to the poor quality of the available data. Duplication of

mechanisms for counting officials falling within the engineering profession occurs, as it is not compulsory for engineers to register with the Engineering Council of South Africa (ECSA). According to Du Toit and Roodt (2009), the unreliable emigration figures also contribute negatively to the official statistics of this profession. The different reasons for shortages of engineering skills range from socio-economic factors, through educational factors, to labour market-related factors. A brief discussion of each of the reasons is given below.

#### **2.4.1 Economic reasons**

The structural changes in the economy contribute to the levels of skills shortage. According to Bhorat *et al.* (2002) and Ellis (2008), employment trends in some sectors within South Africa have contracted whilst other have expanded, resulting in job losses. In South Africa, during the past three decades, the reductions in agriculture and the gross domestic product (GDP) mining share, coupled with the recession, have been the main determinants of employment trends and the demand for engineering skills (Steyn & Daniels, 2003). According to Kraak (2004:70), there is a gradual realisation from government that economic prosperity depends fundamentally on availability of a highly skilled workforce to perform the work.

Currently, the improved economic growth that has been experienced in South Africa since 2000 and the government's commitments to infrastructure development can be regarded as one of South Africa's main contributors to the skills shortage problem (Du Toit & Roodt, 2009). These economic related improvements are those associated with introductions of new goods and services like the 2010 Soccer World Cup stadiums and other related infrastructure projects. In order to build these projects, South Africa had to rely on a large number of civil engineers. The increase in the number of these infrastructure projects and the government's commitment to implementing them has however stretched the already limited number of civil engineers and thus resulted in their shortage. To conclude this, in South Africa, there is a consensus that the skills shortages are inhibiting economic growth and job creation (Bhorat, Meyer & Mlatsheni, 2002).

#### **2.4.2 Emigration, mobility and global economy**

Lawless (2007:329) states that in local government, approximately 190 civil engineers, resign from their positions annually, which equates to a turnover of approximately 12 percent. Some of these engineers leave South Africa in pursuit of lucrative jobs in other countries (Du Toit & Roodt, 2009). In an earlier study, Rogerson and Rogerson (2000:47) stated that the opportunity to gain international work experience and exposure was a strong motivator causing young professionals to emigrate. Zulch Lotter of Consulting Engineers of South Africa (CESA) states that in 1980, 40 percent of engineers were employed by the public sector, while only 15 percent of engineers were still employed by the sector in 2005 (*Business Day*, 5 February 2010).

The number of engineers leaving South Africa is assumed to be high, though there are no reliable statistics to support such an assumption due to poor record-keeping (Bhorat, Meyer & Mlatsheni, 2002). An argument in support of this assumption is that in South Africa the system of collating data on migration is flawed, due to several reasons including the fact that those engineers who leave the country are not compelled to complete a departure form, so the available data are incorrect (Brown, Kaplan & Meyer, 2001).

#### **2.4.3 Lower remuneration than other professionals**

According to Rogerson and Rogerson (2000:47–48), the main reason for skilled professionals to leave South Africa is “the highly attractive salary packages offered by enterprises in North America, Europe and Australia”. Further, Du Toit and Roodt (2009:32) state that engineers, including civil engineers earn less than their counterparts do in professions such as those of medical doctors and chartered accountants. The lower remuneration and apparent lack of glamour that is associated with the engineering profession results in a shortage of skills within the profession. Lawless (2007:331) supports such a finding by saying that some of the reasons for engineers being attracted to foreign public sector organisations is due to them being “frustrated, being encouraged to take early retirement, and being undervalued and underpaid”.

#### **2.4.4 Transformational policies**

Transformation is one of the concepts which are broad and crucial in human resource management. For manageability purposes, the author has, in terms of the current study, focussed on discussing the challenges this concept has on civil engineers deciding to stay or leave organisations.

In South Africa, transformational policies were introduced as part of democratising the country, with, in many instances, previously disadvantaged black professionals being given preference over their white counterparts. The Employment Equity Act, No. 55 of 1998, is part of the legislation that was introduced in order to right past inequities. During the implementation stage of the Act, some challenges were experienced by both the government and by employers. Such challenges included the increasing scarcity of engineering skills in South Africa, due to the large number of white engineers leaving the country. In an effort to deal with the resulting challenge, the MEC for Transport and Public Works, Marius Fransman, started a debate on the topic, in relation to which he is quoted as follows:

*One of the unintended consequences of employment equity is the 'leakage' from the economy of white graduates with scarce skills. While employment equity is a strategy to redress historical imbalances, our country cannot afford to lose too many engineers.*

*The question of a possible moratorium on employment equity needs to be thoroughly and maturely debated, based on research into the loss of scarce skills professionals within the context of 'binding constraints' on economic growth and the consequent lack of delivery to the poor. The existence of a 'second economy trap' is arguably the most important historical imbalance that needs to be redressed in South Africa currently (Umrabulo, Number 28, 1<sup>st</sup> Quarter, 2007).*

The fact that employers cannot retain employees is a daunting factor for organisations, in relation to which some of the challenges are discussed below.

## **2.5 RETENTION OF SCARCE SKILLS: GENERIC CHALLENGES**

In Sections 2.3 and 2.4 above, a variety of reasons were given for employees, including engineers, leaving their employers. Clearly some of the reasons range from unavoidable contingencies to uncontrollable factors that are beyond the scope of jurisdiction, territory and the control of the organisation concerned. Some of the reasons are the death of an employee, or such personal reasons as retirement; the employee's failing health, or the relocation of families. However, evidence shows that some staff turnover is avoidable and can be managed through the development and improvement of management style, the utilisation of information technology systems in the work environment setting, and the addressing of challenges (DPSA, 2006). Such challenges are discussed below.

### **2.5.1 The job or work setting was not as expected**

According to Branham (2005), new recruits tend to join organisations with high expectations, some of which are realistic while others are not. Later, when their expectations are not met, they might find it quicker to disengage from the organisation so that they can readily decide to leave. The implications of such a finding are made apparent in the discrepancy model of job satisfaction used by George and Jones (2007:91) to compare the employee's expectations of job, especially when they are high, to what the job actually entails. The higher the level of dissatisfaction amongst employees, the stronger the chances that they will decide to leave their organisation.

### **2.5.2 The mismatch between the job and the person**

The recruitment process plays a major role in determining which candidate fills which position, and whether candidates match their positions well. Mismatching costs the entire organisation as the new candidate will be likely to leave the organisation within a short space of time. This postulation is supported by the attraction and retention policy of the Department of Social Development (Eastern Cape, 2008) that states that most staff losses are caused by poor recruitment and selection decisions that result in an inappropriate person being appointed to a particular post.

Chang and Wang 1995, (as quoted by *The International Journal of Human Resource Management*, 2004:378) further argue that, where there is a high probability of poor employee–job matching, it is likely that the employer will be interested in getting rid of the employee.

### **2.5.3 Handful of growth and advancement opportunities**

Organisations must ensure that they provide self-management training for all employees, whereby employees are trained to take some responsibility for their development. Organisational strategic objectives must be made known to all employees, and that all employees must have access to information on careers. Lawless (2007:18) argues that many junior civil engineers find themselves employed in municipalities with no senior staff, thus ending up losing on their technical career growth. The author argues that this is due to experienced civil engineers having decided to leave local government for employment elsewhere. With the civil engineering profession, on the job training is very crucial during the early years of employment in order to link theory to practice, thus it is important that junior, and inexperienced civil engineers must be guided by experienced civil engineers.

### **2.5.4 Feel devalued and unrecognised**

The management of an organisation must ensure that all its employees are recognised within the organisation, as each and every one contributes to the achievement of organisational goals. Management must further make it clear that their intentions are to align the organisation's achievements with those rewards that are granted to employees as a form of recognition.

### **2.5.5 Loss of trust and confidence in senior leaders**

In all organisations, senior management has a duty not only to inculcate a culture of trust between the organisation and its employees, but also among the employees themselves, resulting in the creation of a strong bond. Srivastava and Bhatnagar (2008:256) argue that employees are passionate about their jobs when they see themselves fitting in within the organisation's culture. According to Giberson, Resick, Dickson, Mitchelson, Randal and Clark (2009:135), senior leadership's personality plays a big role in influencing the type of candidates attracted to the organisation. In support of the role played by leaders, Matthews (2007:16) says leadership is crucial in defining the organisation's culture and unlocking growth. The vision and mission of an organisation must clearly indicate for what the organisation stands, which must be communicated clearly to the employees. A discussion of the challenges faced by organisations, with specific reference to the retention of engineers, follows.



## **2.6 RETENTION OF SCARCE SKILLS: ENGINEER-RELATED CHALLENGES**

Section 2.5 above gave a generic overview of the challenges facing employees in various organisations that might influence them to leave those organisations. In the current section, the focus will be on the challenges facing civil engineers within their organisations.

Lawless (2007:50) states that during 1990 about 250 urban municipalities employed a significant number of between 2 500 and 3 000 civil engineers, technologies and technicians. In a recent study conducted by Lawless (2007:14), she states that within the local government sphere, there were, at the time, an estimated number of 1 300 to 1 400 civil engineers, which indicated a net loss of about 70 to 90 engineers per annum compared to the late 80s. Supporting this study, a research that was undertaken by the South African Institution of Civil Engineering (SAICE) in 2005 stated that, out of the 183 municipalities in South Africa at the time, 83 lacked civil engineering staff, 45 of the municipalities had only one skilled civil engineering staff member, and 43 employed only technicians and technologists (Lawless, 2007:37).

The SAICE study also found that many civil engineering staff was migrating to the private sector, with many young student technicians unable to gain access to experiential training or even to employment after they had graduated. According to a report in the *Cape Argus* (12 November 2008), “although 35 511 engineers graduated across all disciplines in South Africa between 1998 and 2006, only 14 234 professional engineers were registered, 1 100 fewer than 10 years ago”. Within local government, over 1 000 vacancies were reported, with, approximately 236 civil engineers resigning in 2006, of which 31 were from the Transport, Roads and Storm Water Directorate within the City of Cape Town Municipality (IMESA, 2007). Such an attrition rate has left South Africa with a population to engineer ratio of 3 166:1, as compared to the 300:1 ratio of developed countries (Lawless, 2007). In the context of the above, challenges facing civil engineers will now be discussed.

### **2.6.1 National pass rate in mathematics**

With learners requiring a higher grade pass rate in Science and Mathematics in order to enrol for engineering, the total average national university entrance pass rate in South Africa for Science and Mathematics was recorded as being approximately three percent in 2004 (Department of Public Works & CIDB, 2007). Such a pass rate poses a significant challenge to young graduates enrolling for engineering courses at university level.



According to Elijah Litheko (as quoted in the *Sunday Times*, 29 June 2008):

*The challenge facing first-world countries is that they have a reasonable educated aging population with a low birth rate. In contrast, South Africa's challenge is a young population, the majority of whom is poorly educated, creating an economically active population that does not meet the requirement of the job industry. This makes recruitment an onerous task in South Africa, because the majority of job candidates are perceived to be unsuitable for the majority of vacancies at professional and technical levels.*

Apartheid policies created a nation with divided education systems based along lines of colour, ethnic grouping, religion, and kinship. A severe skills shortage, brain drain, and under qualified candidates are common phenomena in the country's recruitment sector. Although academics argue that the dearth of skilled, qualified people is not just a local trend, South Africa's struggle to retain qualified personnel is more acute, since many of its qualified graduates are drawn to foreign opportunities. Their desire to obtain better remuneration and more opportunities leaves companies hard-pressed to fill those posts that they vacate with the right candidates.

According to Mindworx Consulting's director, Martin Pienaar (as quoted in the *Sunday Times*, 29 June 2008), the above-mentioned problem begins long before those concerned reach graduate level. The problem starts at school level, since "...our young learners are simply not taught the right subjects needed for our education system to produce a capable, skilled workforce and the reasons why industry sectors such as engineering and IT, for example, are hard-pressed to find good talent is because learners are not encouraged to take maths and sciences at school or universities. As a result, our education system is failing South Africa – the proof is the low numbers of maths and science graduates we have in the graduate pool;...we need more initiatives by the government and the private sector to encourage learners at school level to work harder at these valuable skills subjects to boost our country's skills shortage in the long run". The following section will take the above-mentioned view forward by outlining the performance of civil engineers at tertiary education institutions.

### **2.6.2 Poor performance at tertiary education level**

Poor performance at tertiary education level forms part of the challenges facing the engineering students, including civil engineers. To elaborate on this, Table 2.2 and Figure 2.1 are presented below. Table 2.2 contains data gathered from universities, supplied by the Department of Education for civil engineering students who obtained national diplomas, bachelor of technology degrees and professional degrees from 1996 to 2005. The number of graduates produced,

showed a decline from 1996 to 2000. According to Lawless (2005), these throughputs were possibly affected by such factors as previously disadvantaged students being allowed to enter institutions of higher learning without the institutions enforcing entry criteria on them, thus resulting in the enrolment of students who had done poorly in the fields of Mathematics and Physical Science. Other factors impacting on throughput rates included the fact that not all institutions were equipped to offer bridging courses to prepare students for their entry into what amounted to a new field for them, and some students not being fluent in the language of instruction. It is also important to note that under apartheid, and to an extent thereafter, many of the previously disadvantaged institutions were in no position to offer engineering courses at all, hence the poor performances are experienced in this field of study (HSRC, 2003).

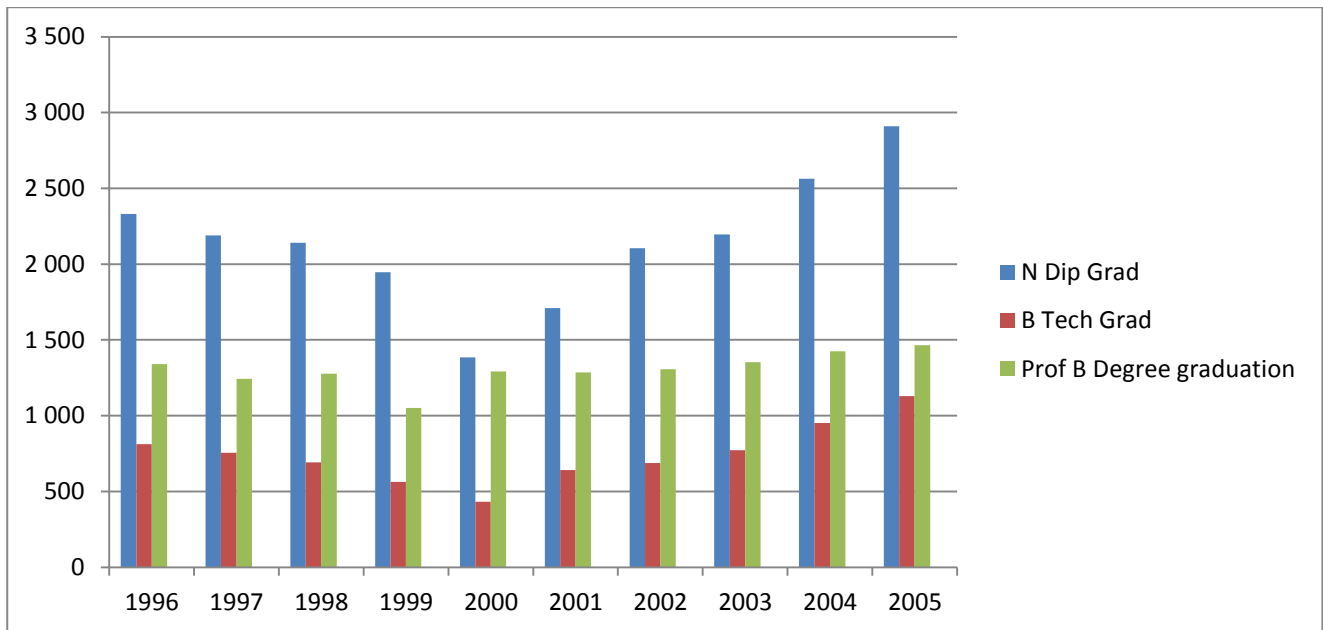
The researcher is of the view that the rise in throughputs from 2001 to 2005 might have been affected by the improvements in economic growth and infrastructure developments experienced by South Africa since 2000 which might have motivated students to pass their exams as the employment prospects in civil engineering were seen to be good. This rise in throughput rates was mostly experienced within the national diploma field of study with a 51 percent increase over the ten year period.

**Table 2.2: Throughput rates for engineering graduates in South Africa (1996–2005)**

Undergrad. Engineering Graduation	1996 N	1997 N	1998 N	1999 N	2000 N	2001 N	2002 N	2003 N	2004 N	2005 N	Total	%
N Dip Grad	2 330	2 189	2 140	1 947	1 385	1 710	2 104	2 196	2 564	2 910	21475	51.2
B Tech Grad	812	756	691	564	433	641	687	772	952	1 130	7438	17.7
Professional B Degree graduation	1341	1243	1277	1051	1292	1286	1306	1354	1424	1466	13040	31.1
<b>Total</b>	<b>4483</b>	<b>4188</b>	<b>4108</b>	<b>3562</b>	<b>3110</b>	<b>3637</b>	<b>4097</b>	<b>4322</b>	<b>4940</b>	<b>5506</b>	<b>41953</b>	<b>100</b>

Source: DoE (1996–2005).

The above-mentioned data is further illustrated by means of a graph and is shown below in Figure 2.1:



**Figure 2.1: Graphical presentation of throughput rates for engineering graduates in South Africa (1996 and 2005)**

Source: Compiled by the researcher, 2011.

### 2.6.3 Attractiveness of the sector

The engineering profession is often not regarded as the first career choice by most learners, due to the many reasons that are associated with the image of the profession and its lack of attractiveness for young graduates in recent years (Department of Public Works & CIDB, 2007). In a study conducted among Western Cape Grade 12 learners, it was reported that only about four percent of those surveyed indicated an interest in enrolling for construction-related studies (Department of Public Works & CIDB, 2007).

### 2.6.4 Poor engineering marketing strategy

Engineering is not always an exclusive choice for students, as it competes with other fields, such as commerce and medicine. Lack of information about the field has also been cited as another reason for students not choosing engineering as a field of study. The education level of parents or family members has been shown to play a key role in decision-making about education, especially in regard to the field of engineering (Carter & Kirkup, 1990; Coles, 1994).

### 2.6.5 Lack of experiential training opportunities

Engineering technicians are required to undergo experiential training in a workplace environment during their final year of study. These experiential training workplaces are organisations where students gain insight in a work situation to reinforce their academic qualifications. However, the shortage of such experiential training workplaces is a major concern contributing to the shortage of

engineering professionals (Du Toit & Roodt, 2009). In her research, Lawless (2005) found that about 60 percent of those final-year National Diploma students who responded to her survey in 2004 had been unable to graduate, as they could not be placed for experiential training.

From the above discussion it can be concluded that during the past two decades South Africa has lost a large number of engineers, and in order to deal with the above-mentioned challenges, organisations need to develop certain appropriate strategies. Such strategies are discussed below.

## **2.7 RETENTION OF SCARCE SKILLS: GENERIC STRATEGIES**

Sections 2.5 and 2.6 above discussed the challenges experienced by employees in general, and by engineers specifically, during the retention process. In an effort to overcome the challenges, the current section seeks to provide generic strategies that can be utilised by organisations.

According to Meeus (2003), a mere development of a retention strategy does not suffice – what is required is a thorough investigation of proper retention strategies, enabling such strategies to reflect sustainability and return on investment as a matter of priority. The literature further suggests that a good and effective process must be supported by the development and implementation of relevant policies that are supportive of such a process (Bloor & Maynard, 2003).

Previous studies on retention strategies seem to have focused largely on examples adapted from developed countries. The application of such models to the developing country's public sector requires investigation before implementation, as some strategies might not be compatible with how the public sector functions. The existing situation poses an opportunity to explore an effective strategy that is financially viable and that is oriented to the public sector environment. Bearing such a factor in mind, best practice reveals that there is no 'one size fits all' retention strategy that deals comprehensively with all issues of staff retention. According to Cooper (2002:11), organisations need to analyse employee turnover so that they can deal with it better than they currently do. The author further states that, as a control measure, organisations must accurately calculate the current turnover and forecast the future one so that proper management decisions can be made and correct future staffing and recruitment needs be estimated in a reliable manner.

In support of the above-mentioned view, Taylor (2002:85) states that organisations need to find strategies and means of cutting unwanted turnover, which can best be achieved by providing the employees with a better deal than they have had in the past. Such deals might differ from one organisation to another, depending on the focus areas and types of employees within a particular organisation, and including consideration of the following issues: terms of contract; the building of

effective defences; employer branding exercises; staff training and development; effective management; and a planned hiring process. The issues are discussed in turn below.

### **2.7.1 Terms of contract**

Organisations can negotiate contracts with employees in terms of which the employees freely sign up to abide by those terms and conditions that will discourage their resignation. Where an employee has freely signed such a contract, the justice system is unlikely to strike out a term that has been agreed upon by both parties. In circumstances where contracts are too restrictive, prospective employees would tend not to sign the contracts concerned, rather choosing to approach another organisation for work. Six various terms of contracts are briefly discussed below.

#### ***2.7.1.1 Notice periods***

Contracts signed by employers and employees have agreed termination dates that both parties have to provide. The length of the contracts must be agreed on between the two parties, with the employers sometimes wanting to negotiate longer periods, ranging from three to six months (Taylor, 2002:86). An unfortunate aspect of such a deal occurs when an organisation is faced with a demotivated employee who wants to leave the organisation, but who is bound by the long notice period. The employer might as well find a replacement employee who will be happier to work for the organisation than the disgruntled employee would be.

#### ***2.7.1.2 Restrictive covenants***

Another type of deal that can be entered into with employees is a type of restraining order that can act as a limiting factor on further alternative job opportunities. A restraining order prevents employees from working for competitors or from forming their own businesses in competition with, and thereby with the capacity to damage, the employer's organisation. The order must be within the limits of the law in order for it to be binding and valid. Such an order tends mostly to apply to senior officials within organisations.

#### ***2.7.1.3 Pay-back clauses***

Taylor (2002) defines pay-back arrangements as requirements placed on staff to reimburse the employer of any costs owing due to such issues as training, bursaries or extraordinary maternity benefits paid on behalf of the employee before leaving the organisation. Employees should be aware that they are required to pay back such costs, which will often prolong their stay with an organisation if the prospective employer is unable to take over the debt.

#### **2.7.1.4 Bonus payments**

Unless bonus payments can be matched by the new organisation, they can play a major role in delaying the departure of most employees from an organisation if they know what they will forfeit if they leave sooner than the original specified period (Taylor, 2002).

#### **2.7.1.5 Pay and benefits**

No common agreement exists as yet in the available literature on the issue of pay and its ability to retain staff. In organisations there are some employees who are motivated by money and others who are not (Taylor, 2002:94). Organisations should ascertain who among their employees is motivated by other than financial factors, including recognition. Taylor (2002:95) further emphasises that the research evidence on human motivation and job satisfaction tends to suggest that “payment is a good deal less powerful as a positive motivator than intrinsic rewards (i.e. the ‘pleasure’ people gain from doing the job itself)”. This simply means that raising salaries only brings short-term motivation and job satisfaction. According to Bussin and Spavins (2008), remuneration is one of the important strategies used by organisations to retain employees. However, using money to sort out staff problems does not always work for long-term talent management. The view is supported by Winston (2008), who maintains that organisations are realising that remuneration on its own is insufficient to motivate staff to stay in their jobs. According to Clemmer (2008), an indication of such thinking is that some studies point out that money can act as a demotivator more than as a motivator. He further states that remuneration only ensures that people come to work, but that it does not encourage them to excel in their performance.

#### **2.7.1.6 Working conditions**

The working conditions under which employees work include, amongst others, working hours, physical working conditions, employment security, job design, and others. In order to retain staff, organisations must ensure that they provide attractive jobs under good working conditions (Taylor, 2002). If organisations fail to pay more than others do, but still need to retain their staff, they must look at improving another aspect, such as working conditions, in order for them to encourage their employees to stay longer than they otherwise might.

### **2.7.2 Building effective defences**

Taylor (2002a) suggests that the current labour market is characterised by the presence of recruitment agents, who are always ready to poach best-performing employees from organisations. For those organisations that are attempting to retain their staff, such a situation might pose problems. Organisations need to develop defence mechanisms that include:

- stopping doing business with recruitment agents that poach staff;
- training staff and receptionists to avoid giving out important information to recruiters;
- securing all internal email addresses; and
- entering into agreements with other employers not to poach one another's staff members.

### **2.7.3 Employer branding exercise**

Taylor (2002b) defines employer branding exercise as a new concept within the HR environment that refers to the management of employment relationships. By managing such relationships, organisations improve their recruitment processes, communicate to existing and prospective what makes their organisation a best place to work for, resulting in staff retention, as their employees come to appreciate being part of the organisation and become more loyal to it.

### **2.7.4 Staff training and development**

Taylor (2002:114) highlights that employees have a considerable amount of interest in developing their careers. If their employers assist them in doing so, the employees tend to become more motivated and satisfied within their work environment. Such employees are mainly skilled employees, as they are the ones who are mostly interested in their personal development. Organisations that ignore training and development of their staff tend to lose them in the long run.

### **2.7.5 Effective management**

Nel, Gerber, Van Dyk, Haasbroek, Schultz, Sono and Werner (2001:350) define management as a science that is concerned with short-term problems within an organisation. Taylor (2002:76) supports the definition by saying that managers aim to achieve organisational goals by making use of the allocated inadequate resources. As management develops policies and procedures, unless they understand the needs of their employees, the policies concerned will not address the needs of the employees, which will then result in organisational goals not being achieved.

In a work environment, employees are divided into managers and subordinates who have a working relationship. The more that subordinates believe that there is trust and loyalty between them, the more they will be inclined to stay within the organisation and vice versa (Taylor, 2002). Taylor (2002:181) claims that most people report that poor management and bad treatment by their managers are the main reasons for them leaving their organisations. In most cases, subordinates are afraid to mention such a factor as a reason for them leaving, as they are afraid of being victimised by their managers, but the point is that poor management plays a major role in staff attrition.

Sullivan (2000) states that 85 percent of the reasons for employees resigning from the organisations for which they work is associated with problems that they have with their managers, so it is advisable that efficient retention strategies should focus on managers (Wheeler, 2000). Poor managers are one of the crucial contributors to people leaving organisations. Managers must know exactly what drives their employees. In order to have employees who are motivated to do their jobs, managers must ensure that they match the employees to jobs that will satisfy their individual needs while they are achieving organisational goals. Managers must strive to help create a truly 'motivating organisational culture that inspires all employees to do their utmost best every day, even in the absence of the manager (Bruce & Pepitone, 1999).

### **2.7.6 Planned hiring process**

According to Jackson and Schuler (2000:279), employee turnover is the reason for most recruitment problems. Boxall and Baldwin (2002:1) state that, during the recruitment process, management must first consider the employee's interest and their ability to do the job.

In practice, the manager's worst fear when losing employees is struggling to find a good replacement for them. Recruitment must be considered in relation to retention, as most employee turnover can be avoided when proper recruitment and selection processes are followed (Taylor, 2002:155). For organisations to have sound retention policies, they must start by ensuring that they recruit and select good candidates. Many organisations believe that recruitment and retention are two separate processes which, according to McNeal (2001), is not a wise approach, as the two processes are interlinked, interrelated and largely inseparable from each other.

Organisations must ensure that they have a planned and effective hiring process in place that includes the following:

- There must be a proper match between the candidate and the job.
- Candidates with a poorly justified turnover track record must be properly screened.
- Job requirements must be clearly described to the candidate.
- Any offer that is made to a candidate must be attractive, fair and equitable.

In Section 2.8 below, scarce skills retention strategies, with a specific emphasis on engineers, receive attention.



## **2.8 RETENTION OF SCARCE SKILLS: STRATEGIES FOCUSING ON SOUTH AFRICAN ENGINEERS**

Generic strategies pertaining to the retention of scarce skills were provided in Section 2.7 above. To contextualise the whole discussion, this section covers strategies related to engineers, including civil engineers.

Lawless (2007:27) maintains that, in as much as viable local government is possible, strategies and capacities are required to “increase income, reduce losses, root out failures and ensure that delivery and growth go hand in hand”. The following section illustrates strategies that can be adopted for retaining engineers.

### **2.8.1 Remuneration**

A relatively low rate of remuneration in the public sector has been mentioned as one of the reasons for engineers to leave an organisation. Du Toit and Roodt (2009:91) state that remuneration and the working conditions of engineers within the employment environment need to be improved for them to be retained. The two researchers warn that, if such a factor is not considered, engineers will be lost to overseas countries that offer better working conditions. In relation to such a finding, Lawless (2007:331) argues that engineers are, at least in part, attracted to foreign public sector organisations due to them being “frustrated, being encouraged to take early retirement and being undervalued and underpaid”.

### **2.8.2 Dual career path**

The strategy of creating dual career paths within organisations has proven successful in terms of the retention of technical skills, including those of civil engineers (Du Toit & Roodt, 2009). In the context of the City of Cape Town municipality, a dual career path is a process of encouraging technical employees to remain in their technical professional stream, and rewarding them without necessarily being on the management career path. The strategy results in the creation of better opportunities for technical staff within their profession than they might otherwise have had if they moved to an administrative stream, enabling them to compete relatively easily for promotional positions at management level. Regarding such an argument, Lawless (2007:239) emphasises the importance of giving infrastructure support, including adequate office space, transport, computers and software, to engineers to enable them to perform efficiently.

### **2.8.3 Flexibility for female engineers**

According to Du Toit and Roodt (2009:91), it has been proven that for women engineers flexible working hours are more sought after than high levels of remuneration. Such hours enable them to

balance their life between the work and home environment. Flexible working conditions could take the form of, among others, flexible working hours, career breaks, and long periods of maternity leave. According to Lawless (2007:243), female engineering students require understanding by male counterparts, as the engineering field is still too male-dominated which is very intimidating for young female engineers. In addition to this, female engineering students are often faced with cultural issues which they find difficult to discuss confidently with their older male colleagues.

In terms of the current study, out of 30 civil engineers scheduled for interviews, 27 were males and three were females. This constitutes 90 percent male respondents and 10 percent females (City of Cape Town, 2011c). These statistics confirm the view mentioned above that the civil engineering profession is still male dominated. Despite the small number of female civil engineers within the City of Cape Town municipality, it is crucial that the flexible working conditions for female civil engineers be developed and implemented as part of the retention and employment equity strategy.

#### **2.8.4 Opening up of immigration**

In addition to addressing the shortage of skills, the immigration of skilled professionals also paves the way for skills transfer to other employees (Du Toit & Roodt, 2009). However, currently South African immigration laws and policies are so cumbersome and strict that they hinder such immigration. An approach should be developed to deal with the problem.

#### **2.8.5 Recruitment of retired engineering professionals and expatriates**

Initiatives to recruit retired engineers and expatriates have been developed in South Africa for dealing with the shortage of skills within the country. ECSA has developed a recruitment policy that is associated with recruiting retired engineers. In addition, the Come Home Campaign which is a project that was initiated by Solidarity Trade Union, in partnership with an immigration company, is aimed at enticing South Africans abroad back to South Africa (Du Toit & Roodt, 2009).

#### **2.8.6 Moratorium on employment equity in engineering scarce skills**

The employment equity policy is focused on balancing the racial imbalances of the past. However, the adoption of such a policy has proven to have contributed to the shortage of already scarce engineering skills, as white engineers tend to emigrate overseas as a result (Du Toit & Roodt, 2009; Erasmus & Breier, 2009). Lawless (2007:25) argues that there is an urgent need to review employment equity numbers in technical fields and the only possible way of solving remaining inequities is to reduce the number of white employees. She further states that, due to staff shortages, making such a reduction is impossible and results in robbing municipalities of a very scarce skill. In an effort to reduce the effects of such workplace depletion, as previously mentioned, Marius Fransman, MEC for Transport and Public Works, opened up the debate on introducing a

moratorium on the policy. In this he was supported by various professionals, including Dr Mamphela Ramphele, former University of Cape Town (UCT) Vice-Chancellor and Managing Director of the World Bank; Webster Ndodana, first black president of the South African Association of Consulting Engineers (SAACE); and Allyson Lawless, the first female president of SAICE (Lawless, 2005:251).

### **2.8.7 Adoption of talent management approach**

As above-mentioned, the shortage of engineering skills is a global problem. In South Africa 'scarce skills' and 'skills gap' are buzzwords, as the country is dealing with human capacity problems (Lawless, 2005). Thus, for South Africa the adoption and implementation of a talent management approach is critical in order for the country to be able to compete with others in securing such skills. The approach must be developed in such a manner that it effectively attracts and retains scarce engineering skills (Du Toit & Roodt, 2009).

### **2.8.8 Creation of an occupational brand**

Regarding the above theory it is clear that the engineering profession is competing with other professions, making the creation of a survival tool crucial. Thus, Professor Frank Horwitz (as quoted by Du Toit & Roodt, 2009:92) argues that the creation of a unique occupational brand that differentiates one occupation from another is important.

## **2.9 INTERNATIONAL PERSPECTIVE**

Chapter 1 stated that the objective of this study is to analyse the retention of scarce skills, in particular civil engineers within the City of Cape Town municipality. In an effort to benchmark this study with international municipalities, the researcher will discuss a relevant case below.

There are many municipalities world-wide, making it difficult to choose a suitable case for benchmarking purposes. However, in Section 3.7.2 it was mentioned that some South African civil engineers resign from their organisations to join institutions in countries like New Zealand and the Middle East. In search of a relevant case, the Auckland City in New Zealand appealed to the researcher. This choice of the researcher was motivated by this City's historical background and dynamics which show some similarities to those of the City of Cape Town municipality.

Similar political and constitutional dictates that led to the formation of the City of Cape Town also gave rise to the now Auckland City. The Auckland City was established on 1 November 2010 out of an amalgamation of eight other smaller local, district and regional authorities. This amalgamation was a sequel to the recommendations of the Royal Commission's report on Auckland Governance in March 2009, through the Local Government Act, 2009. The Auckland City is governed by a

Mayor, 20 other members of the governing body and 148 other members (Auckland City, Annual Report: 2010/2011). In terms of the Municipal Structures Act (No. 117 of 1998), applicable to the City of Cape Town, these would be the Executive Mayor, Mayoral Committee members (10) and 198 ordinary Councillors.

This council is the largest council in New Zealand with a staff complement of 8000 employees compared to approximately 24 000 City of Cape Town employees. It occupies an area of approximately 4 894 square km of land with a population of approximately 1 461 900 people and approximately 438 528 occupied dwellings (Auckland City, Annual Report: 2010/2011). In contrast the City of Cape Town as reported previously covers an area of approximately 2461 square km with a population of approximately 3 497 097 and 902 278 households (City of Cape Town, 2008/9).

To ensure adequate delivery of services to its population, the Auckland City has 175 civil engineers in its council, with 15 of them designated to transport, strategy and policy (Lawless, 2007:327). The study by Lawless (2007) further states that in this council there are more civil engineers tasked to look after the zoo infrastructure than there are in approximately 243 municipalities in South Africa. This statement alone suggests that the City of Cape Town is worse off in terms of shortage of civil engineers when compared to Auckland City. However, this does not mean that Auckland City is not experiencing challenges related to scarcity of civil engineers. It is reported that New Zealand as a country between 2001 and 2004 experienced a period of strong growth in the construction industry estimated to approximately 35 percent, resulting in high demand for civil engineers. Further, during this period the country was experiencing a net migration inflow of approximately 646 civil engineers and related professionals, with a large increase in civil immigration and large decreases in emigrations marked during 2002 (Department of Labour, New Zealand, 2005). It would appear that the said influx of civil engineers in New Zealand was largely due to the demand caused by the boom in the construction industry. Auckland City did not seem to have benefited from it though because civil engineers are reported to have remained scarce (Auckland City, Annual Report: 2010/2011).

According to New Zealand's Department of Labour, New Zealand as a country is concerned about the future shortage of civil engineers. This concern stems from the statistical evidence that shows that most civil engineers fall in the age group of 50 years and above which is on the rise from 21 percent to 28 percent during 1996 to 2001. Similarly, the City of Cape Town is not immune from this particular challenge as most of its civil engineers are in the same age group. This group of civil engineers is actually viewed by younger civil engineers in the City of Cape Town as a cause for them leaving the employ of the municipality prematurely as they believe that they block their chances of career development.

It has also been recorded that another negative impact on the number of civil engineers in New Zealand has been the small number of civil engineers graduating from tertiary institutions (training rate of 2.8%) despite the increasing number of students enrolling for the civil engineering course. Another concern for New Zealand as well as Auckland City has been the problem of not being able to retain a number of its young civil engineering graduates and losing them to other overseas countries as soon as they gather enough experience (Department of Labour, New Zealand, 2005). Thus, Auckland City being in a developed country is no different to the City of Cape Town in terms of protecting its scarce skills base like civil engineers.

From the information gathered on the Auckland City, it is evident that the City is also experiencing challenges related to scarcity of civil engineers, however the data is not clear on the strategies the municipality is adopting to manage the situation. The researcher is of the view that the strong growth in the construction industry in that country might be contributing positively to attracting civil engineers but they lose them after they have gathered enough experience. In conclusion, it is noted that the City of Cape Town is not alone in confronting real challenges related to scarce skills within the civil engineering profession.

## **2.10 CONCLUSION**

The literature review conducted in this chapter has revealed that the retention of scarce skills is a global challenge, with employees leaving organisations due to various reasons. Engineers, who are the central focus of this research, tend to leave organisations due to reasons that are unique to their profession. In the event that organisations are unable to retain such a scarce skill, they face challenges that impact negatively on their operations. It emerged from the literature review that strategies should be developed to assist organisations in retaining their scarce skills. Organisations need to be mindful that all employees are unique, and that their needs differ from one another. The retention challenges that are experienced by each organisation and the strategies that are developed to retain staff need to be tailor-made for each particular organisation.

In order to contextualise the study meaningfully, the analysis of a case study of the City of Cape Town Municipality deserves some attention. This case study, which is detailing the previous and current challenges experienced by the Municipality in retaining its civil engineers, is discussed in the following chapter.

## **CHAPTER 3**

### **THE RETENTION OF SCARCE SKILLS IN THE CITY OF CAPE TOWN: A CASE STUDY**

#### **3.1 INTRODUCTION**

The previous chapter explored literature related to retention of scarce skills, with specific focus on civil engineers. It further highlighted concepts related to challenges and strategies associated with retention of these skills, both generally and civil engineering specifically. Finally, a conclusion was drawn on issues raised.

This chapter focuses on a brief overview of the City of Cape Town, with emphasis on its organisational structure and constitutional obligations. An analysis of departments with engineers within the city will be conducted. Finally, the focus will be on challenges experienced by the municipality in retaining its scarce skills and on how the municipality has developed its retention strategy to minimise these challenges.

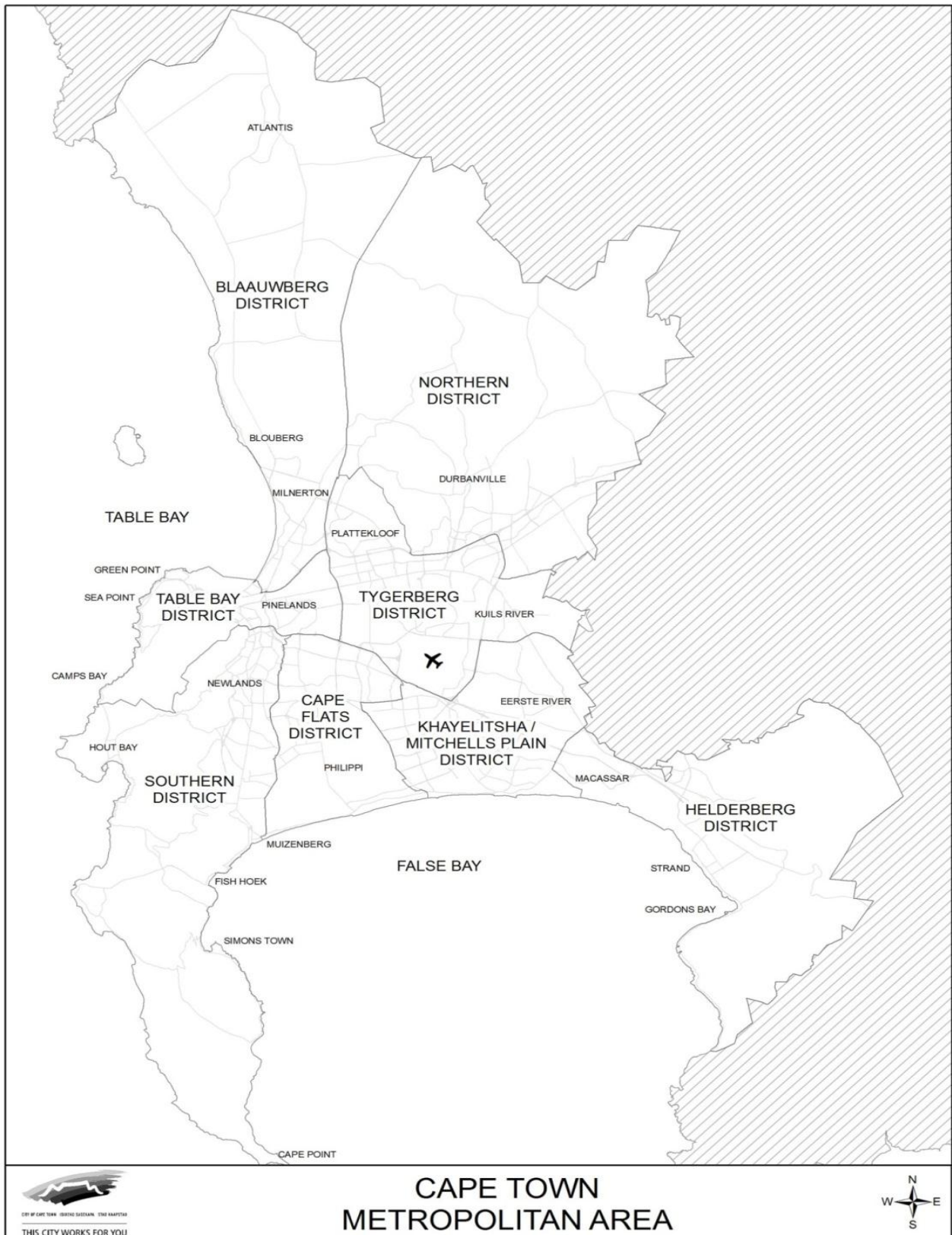
Having outlined the introduction and focus areas of this chapter, it is logical to start by giving an overview of the municipality.

#### **3.2 AN OVERVIEW: CITY OF CAPE TOWN MUNICIPALITY**

The City of Cape Town Municipality is located in Cape Town which forms part of the Western Cape Province. Cape Town brings together people and cultures from different parts of South Africa, Its population is estimated at 3 497 097 people, with 902 278 households. The City occupies an area of approximately 2 461 square km (City of Cape Town, 2008/9). The City is divided into eight districts, namely Blaauwberg, Northern Cape, Table Bay, Tygerberg, Southern Cape, Cape Flats, Helderberg and Khayelitsha/Mitchells Plain. They constitute the City of Cape Town municipality. The municipality has a responsibility to provide various municipal services to all communities living in these areas.

These districts are shown by means of a map as follows:





**Figure 3.1: City of Cape Town Map**

Source: City of Cape Town: Spatial Development Framework, 2011b.

The City of Cape Town Municipality was established in 2000 out of the amalgamation of seven other smaller municipalities. Its staff establishment consists of approximately 24 000 employees, of which approximately 200 are civil engineers (City of Cape Town, 2010/2011). Its main offices are situated in central Cape Town, with various other branches located throughout the city. This municipality is one of South t category A metropolitan councils within the local government sphere of government (South Africa. The Constitution, 1996:82). To bring context to the previous statement, it is imperative that local government is defined. In terms of the South African Constitution, local government is a third sphere of government which is distinct, independent and has rights to govern its own community affairs subject to National and Provincial legislation. One of the primary objectives of local government is to ensure sustainable, efficient and effective provision of municipal services to local communities (South Africa. The Constitution, 1996:81). These services include provision of water, building of roads, electricity and housing, amongst others. The services mentioned above mainly require technical skills such as those possessed by civil engineers; hence the researcher's focus on analysing the retention of these skills within the City of Cape Town Municipality.

In an endeavour to achieve these municipal services, the municipality relies on its three pillar-vision and objectives which are stipulated below (City of Cape Town Annual Report, 2008/9).

### **3.3 THE VISION**

- To ensure that Cape Town is a prosperous city, in which City government creates an enabling environment for shared growth and economic development;
- To achieve effective, efficient and equitable service delivery;
- To serve the citizens of Cape Town as a well-governed and efficiently run administration.

### **3.4 THE OBJECTIVES**

As outlined in the Constitution of the Republic of South Africa (Section 152) (South Africa, The Constitution, 1996:81), the objectives of all municipalities within local government including the City of Cape Town Municipality are as follows:

- To provide democratic and accountable government for local communities;
- To ensure the provision of service to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government.



Municipalities are required to achieve these objectives within the limits of their budgets and administrative capacity, as much as possible.

The achievement of the abovementioned objectives depends largely on an already existing structure of the municipality. The following section will then outline the nature of the municipality's organisational structure.

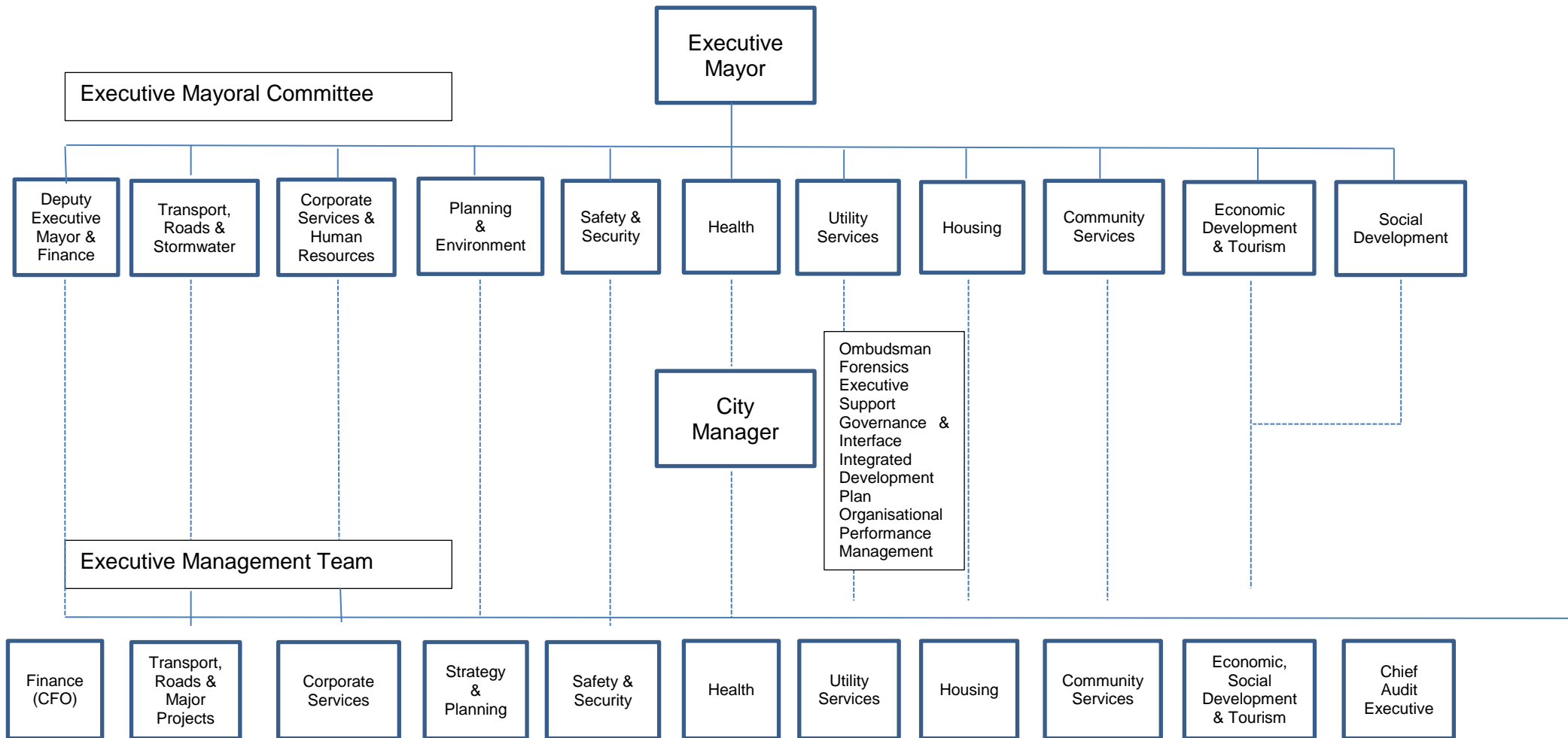
### **3.5 ORGANISATIONAL STRUCTURE OF THE CITY OF CAPE TOWN**

The organisational structure of the municipality is two-fold. It has a political perspective and an administrative setting.

On the executive political perspective, there is an executive mayor, deputy executive mayor and ten mayoral committee councillors. Additionally, there are 198 ordinary councillors elected by their constituencies through a democratic process. These councillors belong to different political organisations, with Democratic Alliance being the majority party. Collectively, councillors form the council which is charged with various powers and functions including approval of council policies (City of Cape Town, 2006/7).

On the administrative side, which is headed by the municipal manager, the municipality has 12 directorates, namely Office of the City Manager, Finance, Transport Roads and Storm Water, Strategic Human Resources, Strategy and Planning, Safety and Security, Health, Utility Services, Housing, Community Services, Economic, Social Development and Tourism and Internal Audit. The civil engineers are mainly located in the Utilities and Transport, Roads and Storm Water Directorates. These directorates are headed by executive directors and they have approximately 24 000 professionally diverse staff members (City of Cape Town, 2006/7). The organogram is shown hereunder as Figure 3.2.

## City of Cape Town Executive Structure



**Figure 3.2: City of Cape Town Executive Structure**

Source: City of Cape Town, 2010a, Annual Report, 2008/9.

Having given an overview of the municipality and its organisational structure, the researcher will hereunder focus on the main topic of the research. The status of civil engineers within the municipality, particularly in Utilities and Transport, Roads and Storm Water departments will now be discussed.

### **3.6 THE STATUS OF CIVIL ENGINEERS WITHIN THE CITY OF CAPE TOWN MUNICIPALITY**

#### **3.6.1 Introduction**

At municipal level, the availability of engineers is very crucial for infrastructure development and for ensuring that the municipality is achieving its goals as mandated by the Constitution. As discussed previously, in an attempt to avoid producing a voluminous document, the researcher will focus on the civil engineering profession which consists of engineers who are responsible for municipal infrastructure projects. Civil engineering is the oldest engineering professional discipline that deals with the design and construction of the physical and natural built environment, including works such as bridges, roads, canals, dams and buildings (ICE, 2005).

Below is a brief discussion on the civil engineering profession within the Transport, Roads and Storm Water Directorate.

#### **3.6.2 Civil engineers within transport, roads and storm water directorate**

This directorate is divided into five departments, namely Transport, Roads and Storm Water, Integrated Rapid Transit (IRT) Implementation, Integrated Rapid Transit (IRT) Operations and 2010 World Cup Projects. Within this directorate, civil engineers are mainly found in the Roads and Storm water department, and that is where the focus of this discussion will be. This department has varied titles pertinent to specific academic training and qualifications within the civil engineering discipline. There are technicians, technologies and engineers making up the staff complement of civil engineers in the department. Those who work in the IRT office are external consultants who are recruited via the labour broker route and are employed on contract basis or per project.

This directorate is tasked with both minor and major infrastructure projects. These projects include, amongst others, bridges and roads. In order to implement these projects, the department makes use of its internal engineers but due to financial constraints the use of consultants will always be part of the plan to assist in areas like designing and project management.

Within the Roads and Storm Water department there are approximately 1600 employees, of which approximately 120 are civil engineers. Their offices are located in eight districts within the city. These districts are Blaauwberg, Cape Town central, Kraaifontein, Bellville, Somerset West (including Kuilsriver), Khayelitsha (including Mitchell's Plain), Athlone (including Nyanga) and Plumstead. The civil engineers are tasked to perform specific engineering duties including the following:

- Designing and construction of capital projects;
- Provision of the technical framework for transport, roads and storm water infrastructure projects;
- Planning and implementation of the maintenance and rehabilitation of roads and storm water infrastructure;
- Management of technical staff;
- Project management; and
- Management of capital budget linked to infrastructure projects.

Within this department, civil engineers are divided into four units. The first unit is the maintenance unit which is where all the project maintenance processes are taking place. The second unit is the operations & assets unit which deals with all operations and asset management of the department. The catchment areas, storm water and rivers are managed in a separate unit, and finally, there is a unit which manages all major projects of the department.

Table 3.1 below is a diagram showing different qualifications and units in which these civil engineers are located. These qualifications range from a diploma level to post graduate degrees. Education and training is the main contributor to the country's skills crisis. In one study, Richardson (2007:17) states that tertiary institutions do not meet the demands of the labour market as they are not producing enough qualified graduates. Despite this, the City of Cape Town has, as reflected in the statistics below, managed to attract qualified civil engineers from the market. The data below shows that the majority of civil engineers (43.3%) have a National Diploma in Civil Engineering, followed by those engineers with a National Higher Diploma in Civil Engineering (15.8%) and Bachelor of Science in Civil Engineering (13.3%).

**Table 3.1: Department of roads and storm water:  
Civil engineers – Qualifications per unit**

<b>LEVEL OF QUALIFICATION</b>	<b>Maintenance Unit</b>	<b>Operations &amp; Assets Unit</b>	<b>Catchment, Storm water &amp; River Management Unit</b>	<b>Capital/Major Projects Unit</b>	<b>Total</b>	<b>%</b>
MSc Civil Engineer	0	2	1	0	3	2.5
BSc Civil Engineer	2	7	4	3	16	13.3
MTech Civil	2	6	2	0	10	8.3
BTech Civil	1	12	1	1	15	12.5
NHD Civil Engineer	2	15	0	2	19	15.8
ND Civil Engineer	10	39	1	2	52	43.3
BSc other	0	1	1	0	2	1.7
ND other	0	2	1	0	3	2.5
<b>Total</b>	<b>17</b>	<b>84</b>	<b>11</b>	<b>8</b>	<b>120</b>	<b>100</b>

Source: City of Cape Town, 2010b.

Table 3.1 above is analysed and linked with Table 3.2 below which incorporates various age profiles of civil engineers within the municipality. The civil engineers shown above are, in terms of the table below (Table 3.2), divided according to their age profiles. From the table below, it can be deduced that the majority of engineers fall in the age group of 55 years and older (20.8%). Inevitably, skills and experience will be lost due to imminent retirements in the older age group. The department is also faced with further challenges as some of these engineers prefer taking earlier retirement. This undesirable early exit of highly skilled employees results in loss of institutional knowledge. It is due to reasons like these that the municipality is having a special retention strategy designed for scarce and critical skills.

**Table 3.2: Department of roads and storm water:  
Civil engineering – Qualification vs Age profile**

Age Profile	MSc	BSc	M Tech	B Tech	NHD	ND	Total	%
60 & Older		7	1	1		6	15	12.5
55 to 59	1	5	6		2	11	25	20.8
50 to 54		3	2		5	3	13	10.8
45 to 49		1	1	2	2	8	14	11.7
40 to 44	1			1	5	2	9	7.5
35 to 39				6	4	4	14	11.7
30 to 34				4	1	3	8	6.7
25 to 29	1			1		8	10	8.3
Less than 25		2				10	12	10
<b>Total</b>	<b>3</b>	<b>18</b>	<b>10</b>	<b>15</b>	<b>19</b>	<b>55</b>	<b>120</b>	<b>100</b>

Source: City of Cape Town, 2010b,

In an attempt to focus specifically on scarce skills related to junior engineers, the municipality is currently implementing a two year special graduate internship programme for engineers and has attached it to the municipality's main recruitment and selection policy as articulated below in Section 3.8. This programme focuses on young engineering graduates who have just qualified, and the aim is to attract them to the municipality's organisational structure when the programme comes to an end. Junior civil engineers also form part of this initiative. This programme uses an "employ the best" approach, not "employ the rest" strategy (City of Cape Town Graduate Internship Framework, 2009).

This civil engineering graduate's programme is being used as the pilot project within this department, and currently approximately eight student engineers are part of this programme. They are allocated mentors to guide them throughout the programme and ensure that their training needs are met. To be eligible for the programme they need to meet the following selection criteria;

- They must possess a three year Bachelor's Degree, or;
- They must possess a National Diploma from a recognised Institution of Higher Learning;
- They must be prepared to sign an Internship Agreement in addition to their employment contract with the municipality

The municipality is obliged to place these student engineers within its organisational structure after finishing their two year internship programme. The municipality is adamant that this student

engineering programme does not replace other employee development programmes like co-operative student programmes and job shadowing.

Concerning senior engineers, an attractive special employment condition is attached to their recruitment and selection process and in the staffing strategy of the municipality and that of this department specifically, whereby an offer of approximately ten percent allowance of their salaries is given to engineers over and above their normal remuneration. This is one of the municipality's efforts to try and keep their engineers. However, due to financial constraints and the fact that there are many officials who belong to different professional bodies, the municipality does not pay registration fees for its engineers. This is contrary to what is being practiced in other municipalities as some municipalities ensure payment and registration of their engineers to various professional bodies.

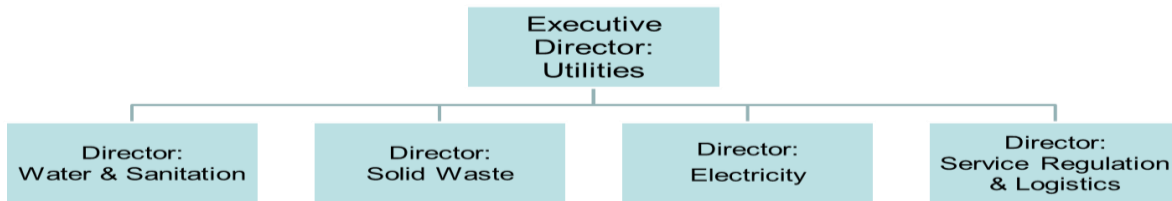
Having covered critical points concerning civil engineers in this directorate, the researcher deems it prudent to give an overview of civil engineers in the utilities directorate.

### **3.6.3 Civil engineers within utilities directorate**

The utilities directorate is the biggest directorate within the municipality. It has approximately 8 000 staff members, of which approximately 36 are civil engineers. It is composed of four departments, namely Water and Sanitation, Solid Waste, Electricity and Service Regulation and Logistics. These departments are tasked to perform the following main functions:

- Water and Sanitation: Provision of access to basic services related to water & sanitation.
- Solid Waste: Provision of access to basic services related to solid waste.
- Electricity: Provision of access to basic services related to electricity.
- Service Regulation and Logistic: Provision of efficient service regulation and logistic to the directorate.

In Figure 3.3, the organisational structure of the directorate is outlined and shown diagrammatically as follows:



**Figure 3.3: The organisational structure of Utilities directorate**

Source: City of Cape Town, 2010a, Annual Report, 2008/9.

The directorate is headed by the executive director and each department is headed by a director. Civil engineers in this directorate are mainly in Water and Sanitation and Solid Waste departments. There are approximately 200 engineers, with approximately 36 of them being civil engineers. It is important to highlight that, within the municipality, civil engineers occupy positions with general titles like senior professional officers, manager disposal, heads of districts, and so on. It therefore becomes a challenge and a mammoth task to differentiate between different types of engineers within the municipality. Nevertheless, with the assistance received from the support staff within the directorate, the differentiation became possible.

The directorate's scarce skills staff turnover is currently recorded at approximately 4.60 percent, and is below the 12 percent of the international norm (City of Cape Town, 2010). The municipality is confident that these figures are low due to the effects of the economic downturn, which makes it difficult for employees to easily change jobs or think of resigning. Another contributing factor has been identified as the fact that, approximately 30 percent of civil engineers are nearing their retirement ages, thus they decide to rather stay until retirement instead of opting to change jobs (City of Cape Town, 2010). As mentioned above (Section 3.6.2), it is also acknowledged here that the engineering skill is sometimes lost to early retirement.

The graduate internship programme for junior engineers and the special ten percent salary allowance offered to senior engineers mentioned under Section 3.6.2 above are also applicable to engineers within this directorate.

It presupposes that the main intention of the study is to analyse the retention of scarce skills related to civil engineers within the municipality. However, in order to articulate that and bring context to the discussion, it would be logical to analyse the challenges experienced by the municipality which led it to develop its retention strategy.



### **3.7 RETENTION OF SCARCE SKILLS: CITY OF CAPE TOWN CHALLENGES**

#### **3.7.1 Introduction**

Chapter 2 detailed both generic and engineering specific challenges related to retention of scarce skills. According to theory as mentioned in Chapter 2, these challenges range from the fact that the job setting was not as expected, mismatch between the job and the person, loss of trust in leadership to lack of experiential opportunities.

The City of Cape Town's retention strategy was developed in 2009 and was based on certain influences and challenges which were identified and gathered from employees by policy developers. Whilst these formed the basis for the development of the retention strategy, the policy developers were mindful that these challenges were not limited to these only. The researcher is also confident that some of the related challenges will come out of the personal interviews to be done with civil engineers during this research.

Hereunder, these challenges are discussed.

#### **3.7.2 The municipality's amalgamation process**

As reported previously in Section 3.2, the municipality was established in 2006 out of the amalgamation of seven smaller municipalities. For a period of over six years, the municipality experienced a labour turnover of engineers, where during the 2005/6 financial year approximately one hundred positions were left vacant by technical staff including civil engineers (City of Cape Town, 2005). Some of these engineers left the municipality for places like the Middle East and New Zealand. This was mainly due to the municipal amalgamation process related to leadership changes, instabilities linked to staff reorganisation, cost cutting exercises on staff budget and a moratorium placed on filling of vacancies which took place during the period from 2000 to 2006. As a consequence of this amalgamation process, after positions were left vacant, funds for these posts would be deposited into a corporate fund and be redirected to other departments. Positions which were kept vacant for long periods were abolished and funds were used for other critical municipal priorities. As the recruitment and selection process for scarce skills always takes longer than normal, their allocated funding would thus be affected negatively.

#### **3.7.3 The competitive environment**

The municipality has to compete with external organisations which are ready to attract the vulnerable scarce skills from the municipality. There was a period where the municipality had no alternative but to utilise mostly services of engineers from external consulting companies in order to implement service delivery around designing of major projects within the municipality. After the

moratorium had been lifted, the municipality had to deal with all the challenges associated with the placement of their internal staff as well as the attraction of external scarce skills using their limited funding. It is due to challenges like these that the researcher identified a need to analyse the retention of scarce skills within the municipality.

#### **3.7.4 The political environment**

The municipality is operating in a political environment which is characterised by constant change in both administrative and political leadership. This environment creates instability within administration which results in employees resigning to more stable work environments. The municipality has realised the impact that this environment is having in its staff complement, and although there is little that it can do to prevent this impact, it has incorporated this in its retention strategy and possibly escalating the discussions around it with both Provincial and National government.

The effects of this environment are also seen during the implementation of certain policies. The municipality has a formal recruitment policy in place which ensures that the available candidates are attracted and appointed in the municipality's positions. Due to the unstable nature of the municipal environment, the implementation of this policy had to be interrupted during certain periods. This was once experienced between 2000 and 2006, during the amalgamation of the smaller municipalities to form the City of Cape Town municipality. A moratorium was put in place on all external appointments in order to ensure that all internal employees from previous small municipalities were placed into the new organisational structure. Approximately two hundred civil engineering positions were left vacant mainly due to uncertainties attributed to this process (City of Cape Town, 2008). After the moratorium had been lifted, which resulted in the municipality's staff complement being reduced, the municipality embarked on a recruitment drive where candidates with technical qualifications were attracted or head-hunted from as far as overseas countries (City of Cape Town, 2008).

#### **3.7.5 Delays in the recruitment processes**

According to Burton and Warner (2001:74), because organisations are competing for the same talent pool, a long-term recruitment strategy should be developed for employee selection purposes. This recruitment strategy can only be monitored and sustained if it is supported by an effective retention strategy.

In support of this theory, the City of Cape Town Municipality has a formal recruitment policy in place which ensures that the available candidates are attracted and appointed in the municipal positions. Despite this, the municipality is faced by administrative delays and challenges in filling

critical positions. This results in backlogs in service delivery. In order to avoid resignations from engineers due to these frustrations, the municipality has to acknowledge this challenge and plan around it, hence the development and implementation of the retention strategy.

In many occasions, the recruitment process of the municipality was not running as smoothly as was expected. This conclusion is drawn from the contents of a report by the Corporate Services Department, where it is reported that the Municipality was to fill about 4000 vacancies for the 2008/9 financial year, but by July 2008 only filled 700 of these positions had been filled (Cape Times, 5 November 2008). Due to the negative impact of this on service delivery, the municipality was forced to ease delegations and give more employing powers to line departments, taking away the centralised control from Corporate Services Department (Cape Times, 5 November 2008).

### **3.7.6 Poor management style**

In the process of developing the retention policy, the municipal human resource officials gathered information that poor management of staff by certain managers was one of the challenges experienced by municipal officials. In Chapter 2, this challenge is raised as one of the aspects which can lead employees to leave their organisations. Hence the municipality has identified it as one of the areas which needs management attention.

### **3.7.7 Low staff morale**

As mentioned in section 3.7.1 above, the municipality's retention strategy was developed based on information gathered from the municipal employees. The aim was to develop a well-informed retention strategy. These employees identified the amalgamation process and the unstable local government environment mentioned above as factors which were contributing negatively to staff morale within the municipality. In an effort to avoid or reduce staff resignations, the municipality has acknowledged this as a challenge in its retention strategy.

### **3.7.8 Lack of professional recognition**

The information gathered from scarce skilled professionals as contained in the municipality's retention strategy revealed that they felt less recognised for their professions, in the sense that they end up performing jobs which they did not study or apply for. The municipality is seeing this as one of the challenges that could lead to employees' departure from their organisations.

### **3.7.9 Limited development opportunities**

In Chapter 2, Taylor (2002:114) emphasises that employees have lots of interest in developing their careers. Contrary to this, the retention strategy of the City of Cape Town highlights that one of

the challenges which led to the development of its retention strategy was concerns raised by some officials on limited development opportunities available to them.

### 3.7.10 Perceived pay inequities

Due to the amalgamation of smaller municipalities to form the City of Cape Town which was mentioned in Chapter 3, the municipality encountered some challenges related to pay inequities for most employees. This was caused by the fact that some employees were coming from bigger municipalities than others, hence the differences in remuneration. To overcome this, the municipality embarked on the uniformity of conditions of services for all employees. These conditions included the elimination of discrepancies in all staff salary structures through the development of a new remuneration policy. Civil engineers, like any other municipal staff members, were through this new process either placed or appointed to new positions which were created in order to address the inequities that existed (City of Cape Town, 2007). In an effort to contextualise the above, the researcher will below give a summary of some pay points linked to civil engineers. For practical purposes, reference will only be made from level 14 (junior management) to level 22 (senior management). These municipality pay scales as of July 2011 are summarised as follows:

**Table 3.3: City of Cape Town pay points**

Zone	Pay point	T14	T15	T16	T17	T18	T19	T20	T21	T22
A	Min	466889	506804	569939	645798	712395	785249	855299	925024	1001859
	Max	508529	556437	625604	702618	769007	841925	920730	990381	1054104
B	Min	508530	556438	625605	702619	769008	841926	920731	990382	1054105
	Max	550171	606069	681271	759443	825621	898602	986162	1055740	1106349
C	Min	550172	606070	681272	759444	825622	898603	986163	1055741	1106350
	Max	591811	655705	736935	816267	882236	955280	1051595	1121100	1158595
D	Min	591812	655706	736936	816268	882237	955281	1051596	1121101	1158596
	Max	633452	705339	792602	873090	938851	1011959	1117026	1186456	1210842

Source: City of Cape Town, 2011a.

All salary levels are referred to as T grades, ranging from T14 for junior managers to T22 for senior managers. They are also divided into zones, where zone A refers to low rated performers and zone D refers to highest rated performers. Civil engineers fall within any of the above-mentioned scales, depending on their positions within the organisation. Despite the employees' perceptions on salary inequities, the municipality is confident that these pay scales have been well researched and thus market related.

Having acknowledged the challenges being experienced by the municipality in dealing with retention of its scarce skills, it is important to investigate the type of strategy the municipality has developed and is implementing in order to deal with the situation. The following section will thus investigate the retention strategy of the City of Cape Town Municipality.

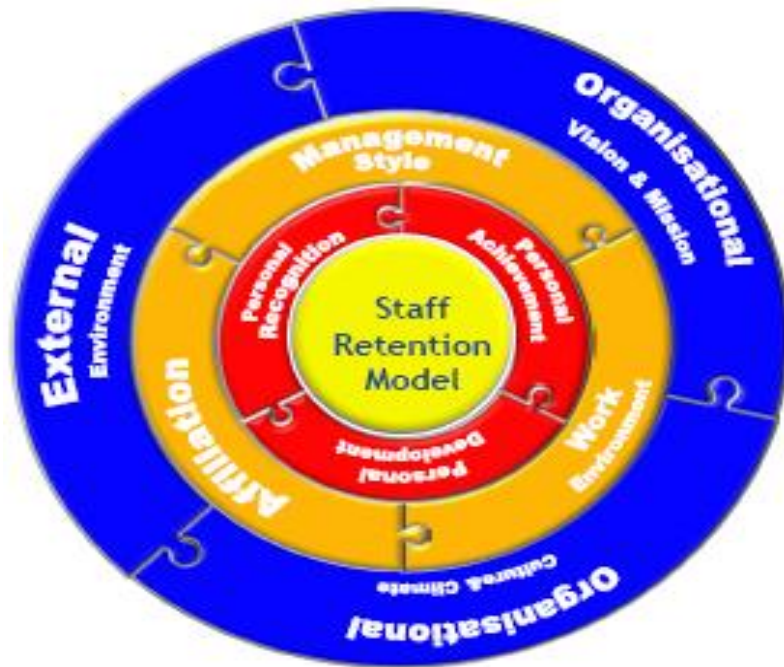
### **3.8 RETENTION OF SCARCE SKILLS: CITY OF CAPE TOWN RETENTION STRATEGY**

The City of Cape Town has a retention strategy in place which covers all disciplines, but its application is on a more structured and targeted basis with special emphasis on retention of scarce and critical skills. Their approach is driven by the fact that some labour turnover in organisations is desirable. The issue is that managers often drive retention from an emotional perspective instead of managing it effectively, hence the development of the strategy to assist managers in retaining scarce and critical skills. This strategy is linked to the municipality's retention model which is analysed below.

#### **3.8.1 The Municipality's Retention Model**

The municipality has chosen to follow a three-pronged retention approach, focusing on the influence of the three aspects of the individual environment which might determine the probability of an individual remaining within an organisation (City of Cape Town Retention Strategy, 2009). The first aspect relates to personal retention drivers which refer to all factors that are close to someone's heart. These include issues like personal development, personal achievement and personal recognition. The second aspect relates to work environmental drivers, composed of factors which are in someone's immediate work environment, and they relate to management style, affiliation (sense of belonging) and work environment. Lastly, there are organisational drivers which are all the factors within the entire organisation. These factors are vision and mission, organisational culture and external environment. The municipality believes that individuals attach different values to these three aspects within their environment. In that regard, personal retention drivers are regarded as more valuable than environmental retention drivers. Organisational retention drivers are in turn regarded as less valuable than both personal and environmental retention drivers.

Below is a diagram showing the municipality's retention model:



**Figure 3.4: City of Cape Town Retention Model**

Source: City of Cape Town 2009b, Retention Strategy.

### **3.8.1.1 Personal retention drivers**

The municipality's model is based on the assumption that employees with scarce and critical skills who are high achievers have, besides their basic needs, a desire to grow and develop within their jobs and thereafter be recognised and rewarded for the achievements. Personal retention drivers are divided into personal development, personal achievement and personal recognition (City of Cape Town Retention Strategy, 2009). Each of these is described below as follows:

- **Personal development**

The municipality's view is that high performing individuals are self-driven and have the desire to be developed within their professions. These individuals feel trapped when their job is not challenging anymore, and the possibility is that they might look for opportunities outside. In an effort to address staff personal development, the municipality has chosen five development strategies, namely talent management, bursary schemes, staff secondment, dual career paths/dual bands and job design.

A brief description of these five development strategies is provided below:

Firstly, talent management is aimed at the development of high performers and preparing their career paths within an organisation. Systems, procedures and performance management tools

must be in place in order to manage this group of individuals. Managers, coaches and mentors must be identified in order to monitor and guide this talent pool.

Secondly, bursary schemes form part of developmental strategies within the City of Cape Town. Individuals are given an opportunity to develop themselves and this is a strategic intervention to motivate them. Without a structured way of allocating bursaries, the whole process can result in fruitless expenditure. In the municipality, bursary holders are locked into contracts that would not allow them to leave before the expiry of the prescribed period of two years. The municipality also offers bursaries to external recipients, targeting scarce skills from universities and technical colleges. As previously stated civil engineers also form part of these bursary holders.

Thirdly, staff secondment is a process where staff members are temporarily placed in job environments outside their normal areas. In this manner this staff member gets developed in skills and competencies which he/she would not have gained in his/her current job. It is categorised as an extremely effective retention strategy by the municipality, but it is limited in terms of how it can be applied in the sense that there are limited opportunities for staff secondment.

Fourthly, dual career paths/dual bands concept within the City of Cape Town seeks to secure management positions for individuals, but this will depend on competence levels of individuals and on availability of management positions within that department. The unavailability of management positions might create a challenge in the sense that the deserving officials would remain in their old positions for a very long time, thus causing demoralisation and trigger resignations. This concept has parallel job streams that progress along. The first stream focuses on the jobs which are on the organisational structure, and the other stream seeks to address jobs which form part of scarce and critical skills. The aim of the municipality in having career paths/ dual bands as one of its retention strategies is to allow professionals to pursue an alternative career within the conventional stream.

Finally, job design refers to a process of restructuring the content of the job so as to bring complexity which will provide a challenge to the individual. The municipality has been approached by engineers who have highlighted their concerns around having to perform administrative duties instead of their technical duties. The municipality is mindful of the fact that job design can only be implemented on a case by case basis, and thus has a policy in place to assist managers to redraft job descriptions in case of additional positions.

Closely linked with these development strategies, the municipality also has learner-ships as tools to address the scarce and critical skills. The municipality is obliged by law to produce learner-ships to ensure that education and training opportunities are provided to individuals whose skills are identified as scarce within the municipality.



- **Personal achievement**

In its retention strategy, the municipality associates personal achievement with a desire by individuals for formal affirmation of their accomplishments. In an endeavour to address these personal achievements, the municipality opted to apply the following retention strategies:

The first one is the succession planning. The municipality defines this as a process that is aimed at earmarking and developing potential candidates for critical positions within the organisation. In terms of its implementation, succession planning is aimed at senior management levels and on critical skills. Succession planning is also seen as a good tool for motivation and retention in the sense that it promotes upward mobility within the organisation. Critical positions need to be identified, the probability of them leaving the organisation should be determined and the process must be transparent and objective.

The second one is the career path. The municipality outlines career path as the process where managers and employees plot out the employee's progression within the organisation. Interim and long-term positions and development needs are identified and a plan is drafted on how the employee will be able to get there. In order to achieve the objectives of this strategy, the municipality has already developed competency frameworks for all professions/disciplines within the organisation. The municipality has identified the development of a talent management solution as its second building block towards implementing the career path strategy.

The last one is internal recruitment. The adoption of an internal recruitment policy by an organisation impacts positively on staff growth and development. All human resource related initiatives like training, development, coaching and many others will fail if internal recruitment is not practised as staff would not see themselves as having a chance to fill vacancies and will lose confidence in the organisation and ultimately leave.

- **Personal recognition**

Personal recognition is one of the retention strategies used by the municipality. They emphasise that organisations must align the type of recognition with the level of an employee as employees at different levels have different needs. The municipality argues that conventional recognition must be coupled with overt recognition in order to be effective. They illustrate this statement by means of an example where if individual employees perceive that their remuneration does not align with their value for the organisation, then that recognition programme will be meaningless. However, although the municipality supports overt recognition, they have excluded it in their recommendation scheme under personal recognition strategy. Their exclusion is based on the fact that they believe the more sustainable forms of recognition apply to remuneration of employees based on



performance and skills, development opportunities and career development within the organisation. As aspects of development opportunities and career development were already covered under the above sections, personal recognition will be discussed based on remuneration related aspects which are discussed as follows:

The first aspect relates to performance-related-pay. This is a kind of pay increase incentive given to high performing officials by the municipality and it is encapsulated in the municipality's remuneration policy. The municipality argues that if the performance related pay is significant enough, it can contribute to the individual's decision not to leave the organisation. The municipality is mindful of the fact that this type of incentive might be short term as it can be matched easily by other companies or it might demotivate other employees who did not receive the incentive. Contrary to the argument of demotivating other employees, the municipality argues that if the policy is communicated well and implemented objectively by management, the negative effect might be avoided.

The next aspect is scarce skills allowance. The type of an allowance policy does exist within the municipality, but is currently being applied to all engineers; including civil engineers until such time that the database of scarce skills is developed and approved by council. This allowance is paid as top up to individuals in possession of scarce skills in an effort to keep them within the organisation. This top up allowance concept also comes with challenges, where other individuals who did not benefit become disgruntled with the organisation, hence a need for a database of scarce skills and communication of the policy. In order to overcome these challenges, the municipality has put forward these recommendations:- analysis of scarce skills in the context of the municipality, the allowance to be allocated on targeted basis, the allowance to be conditional based on consistent high performance of the individual and profession to be consistently designated as scarce skill, the policy process must be supported by senior leadership and a change management process to communicate the policy to staff must be implemented.

Another aspect is retention bonuses. These types of bonuses are widely used in private sector companies and few of the public organisations. The municipality regards this as one of the expensive retention strategies, where bonuses can go as high as up to a year's salary. The municipality does not recommend applying this as one of its retention strategies.

The last aspect is non-financial recognition programmes. These programmes include strategies like nominating high performing individuals as employee of the month. The municipality is not confident that this strategy is effective on its own and is therefore recommending implementing a targeted approach where the high performing employees would be invited to meet the executive management team over cocktail snacks and drinks. In this way, the employees would feel

recognised by the executive and would get a chance to discuss the important issues and the vision of the organisation with the executive management.

### ***3.8.1.2 Work environmental retention drivers***

Work environmental retention drivers are found within the second layer of the municipality's retention model. These drivers are comprised of factors linked to the departments, which are management style, affiliation and work environment. Although these factors do not have a close link to the individual, they have a direct impact on the level of satisfaction (City of Cape Town Retention Strategy, 2009). The role of a supervisor is critical in dealing with these factors as the individuals are unable to have control in some of them. A brief discussion of these factors is contained henceforth.

- **Management style**

The management skill is not something that is inborn in individuals. Managers get taught how to manage effectively. In its research, the municipality is convinced that "employees leave managers and supervisors more often than they leave companies or jobs". The municipality has also gathered that the most frequent reasons given by individuals leaving the organisation include lack of feedback on performance, lack of clarity on potential earnings, lack of clarity on job expectations and so on. It is therefore important to prioritise management training as it plays a crucial role in staff retention. Below the researcher will discuss programmes which the municipality has identified for management development.

The first initiative is the creation of leadership framework. As management skills are not inborn in managers, the municipality has developed a competency framework for its management and supervisors whereby individual capabilities are evaluated in order to develop a structured framework for development. This way the municipality recommends developing a talent pool that will establish potential leaders within the organisation.

The second one is the provision of alternative career paths for people not wishing to be managers. It has already been mentioned above that not all managers can be effective managers. The municipality is recommending that employees be placed in positions where they can maximise their potential. The municipality has developed a dual band system as an alternative career path especially for technical employees who are performing well in their technical jobs but do not display suitable management skills.

Finally, the accountability for retention within the City of Cape Town model lies within the management echelon. In order for the management to be able to retain staff, the municipality must

have the necessary resources to enable them to do so. Thus, the municipality has developed a competency framework detailing the competencies required by these managers in order to deal with retention processes within their departments.

Extracted from the municipality's model, below is the competency retention diagram detailing the management accountability levels.

<b>Staff Retention</b> The capacity to promote a cooperative climate, understand group dynamics and apply appropriate facilitation techniques in working with others to achieve a shared goal	<b>Operational Head</b>	<input type="checkbox"/> Displays a thorough knowledge of staff retention policies and is able to apply the policies objectively and fairly <input type="checkbox"/> Is able to detect concerns amongst key staff and is able to proactively address issues to ensure their retention within the organisation <input type="checkbox"/> Treats all staff respectfully, fairly and equitably <input type="checkbox"/> Sets out clear task guidelines and targets for staff and is able to effectively support and evaluate their performance.
	<b>Manager</b>	<input type="checkbox"/> Displays sound understanding of the business and is able to identify the skills requirements to meet the current and future requirements of the business <input type="checkbox"/> Understands the need and principles of targeted retention and is able to identify the target groups <input type="checkbox"/> Is able to identify staff development needs and potential and can create training opportunities and interventions to facilitate their growth within the organisation
	<b>Director</b>	<input type="checkbox"/> Formulates a clear staff retention strategy for targeted groups within the directorate <input type="checkbox"/> Understands the dynamics in the external environment (labour market) and is able to tailor staff retention strategies to mitigate risks <input type="checkbox"/> Creates the culture, urgency and the framework to support staff retention. Educates and measures managers on their performance to retain key personnel <input type="checkbox"/> Prioritises budgets and resources to support the targeted staff retention strategies
	<b>Executive Director</b>	<input type="checkbox"/> Communicates and articulates organisation's vision and mission in a manner that inspires and motivates all staff within the department <input type="checkbox"/> Creates an organisational culture that supports the retention of staff and facilitates the organisation being an employer of choice

**Figure 3.5: Management accountability levels**

Source: City of Cape Town 2009b, Retention Strategy.

- **Affiliation**

The municipality's model on affiliation highlights that strong relations within the workplace are one of the strategies of keeping employees together. Employees need to have a sense of belonging. The municipality's culture is crucial in determining the staff's teamwork and retention thereof. The municipality has identified three programmes to enhance affiliation of employees. These programmes are defined as follows:

The first one is the easy return programme, whereby the municipality is recommending keeping in close contact with its previous critical and scarce skilled employees who have since resigned from the organisation in order to ensure their return easy. This programme might entail conducting friendly farewells for valued employees, developing alumni associations for employees with emphasis on high performing valued employees and celebrating the return of the valued individuals. The municipality sees this strategy as also contributing to its branding process.

The second one is the social networks programme which encourages employees to form social clubs and professional bodies.

Finally, the municipality designs most work projects around teams, whereby project teams are formed for specific projects.

- **Work environment**

The discussion on the work environment within the municipality's model covers three aspects. These aspects are flexible working hours, appropriate resourcing and provision of appropriate working tools.

On the aspect of flexible working hours, the model suggests that ideally, flexible hours are an attractive package to employees as they allow employees to balance work life and that of their families. In practical terms, the municipality is finding it difficult to implement this widely in the organisation due to its impact on conditions of services, and they see it only fitting well to specific career groups within the scarce skills. The model then recommends that flexible hours be applied only to a targeted group, targeting specific skills within the municipality.

On the issue relating to appropriate resourcing, the municipality urges managers to distribute work evenly amongst all officials to avoid unnecessary grievances from employees. It is argued that it is easy for employees to decide to leave the organisation if they are overburdened by too much work. The manager also recommends within the model that managers must ensure that technical staff is not overloaded with administrative work instead of technical work as this can be tedious and very boring for them.

Finally, the municipal model gives attention to the provision of appropriate work equipment to all employees. Within the limited budget, managers are advised to plan properly for all equipment and staff development which would be required by their employees in fulfilling their duties. This will in turn reduce stress from employees and motivate them more to staying with the organisation.

### ***3.8.1.3 Organisational retention drivers***

These drivers are found in the last layer of the municipality's retention model. They are deemed to be not controllable by either employees or management. Nevertheless, they have an influence on the employee's perception about the organisation and on their decision whether to leave or stay in a particular organisation. As much as they have an influence as discussed above, the impact on individual decisions is lesser than the one of personal and environmental drivers. Organisational retention drivers are comprised of factors like organisational vision and mission, organisational culture and external environment (City of Cape Town Retention Strategy, 2009). A brief overview of each of these factors will be discussed herewith from the municipality's perspective.

Firstly, organisational vision and mission play an important role in encouraging employees to stay in an organisation. The municipality states that if employees believe and support the organisation's vision and mission, the probability is that they will stay in that organisation unlike employees who do not believe in it. The municipality further affirms that the right match between the employees and the organisation can best be performed during the recruitment and selection processes to ensure retention of best quality candidates.

Secondly, organisational culture is another factor which is considered by the municipality in its retention model. Like other factors discussed above, it has an influence on individual decisions taken on whether to leave or stay in an organisation. The legislative protocol which governs the municipality might be viewed as bureaucratic and delaying tactics especially to individuals who come from the private sector. Continuous changes in administration and leadership associated with the political environment of the municipality are one of the factors which bring tension and uncertainty to municipal employees. These tensions might cause employees to leave the municipality. However, the municipality strongly believes that an organisation characterised with clean administration within its culture influences the employees to believe in that organisation and makes them want to be associated with it.

Lastly, external environment is the last factor to be discussed in the municipality's retention model. External dynamics like political stability, crime and corruption have an influence on an employee's decision whether to leave a certain country or not. Employees and management have no control over this factor unless an organisation is a multinational where options could be considered for employees who need to be transferred to overseas countries. Unfortunately, this is not an option which can be explored by the municipality due to its confinement to the South African soil.

The socio-economic dynamics like an economic boom prevents some public organisations from competing effectively for skills with other organisations. In its model, the municipality recommends

that organisations must strive to become employers of choice, where their total remuneration packages, despite them not being able offer higher salaries, are structured in such a way that they include attractive career development paths and related benefits which would make it difficult for rival organisations to lure these critical skills away from them.

### 3.8.2 The application of the retention strategy within the municipality

The municipality has a diverse and large number of professionals within its staff complement and hence it needs to be strategic in terms of how it applies its retention strategy (City of Cape Town Retention Strategy, 2009). A comprehensive description of how the municipality applies its retention strategy is discussed at length below.

The first description refers to targeted retention. The municipality believes that the application of a generic retention strategy is unachievable and could be very costly. It also believes that employees contribute differently to organisational goals and therefore cannot be treated equally. The municipality has chosen to apply its retention strategy on a targeted basis, focusing on scarce and critical skills.

It is clear from the model that the municipality has not performed a formal analysis of its scarce and critical skills, but has only identified a few of them. In a bid to guide managers in analysing their scarce and critical skills, the municipality has developed a framework which is detailed below.



**Figure 3.6: Scarce and Critical Skills Framework**

Source: City of Cape Town 2009b, Retention Strategy.

Each department within the municipality will use this framework to determine its scarce and critical skills based on its individual needs. The municipality further stresses in its recommendations that active retention should be applied when considering only individuals who are categorised as anchors, competent, high potentials, stars and superstars within the municipal talent grid.

Another description refers to proactive retention where the municipality's model promotes the use of a proactive approach to retention. The uses of counter offers when individuals resign are seen as counterproductive and probably late strategic interventions, as employees use these opportunities to get to the next job. However, the municipality supports the use of these counter offers to be used only for high performing employees when it is necessary.

Retention strategy in a constricting labour market is another description. The municipality points out that every employer needs to analyse the labour market, looking at the engagement and the disengagement of staff. In bad economic times, employees need to be aware of immobility of staff as jobs are scarce. The implementation of the retention strategy needs to be carefully monitored and no assumptions should be made that the strategy is working whilst the attrition rates are low. Notwithstanding this, the municipality emphasises that management needs to keep on monitoring the movements of these scarce skills to avoid unexpected departures.

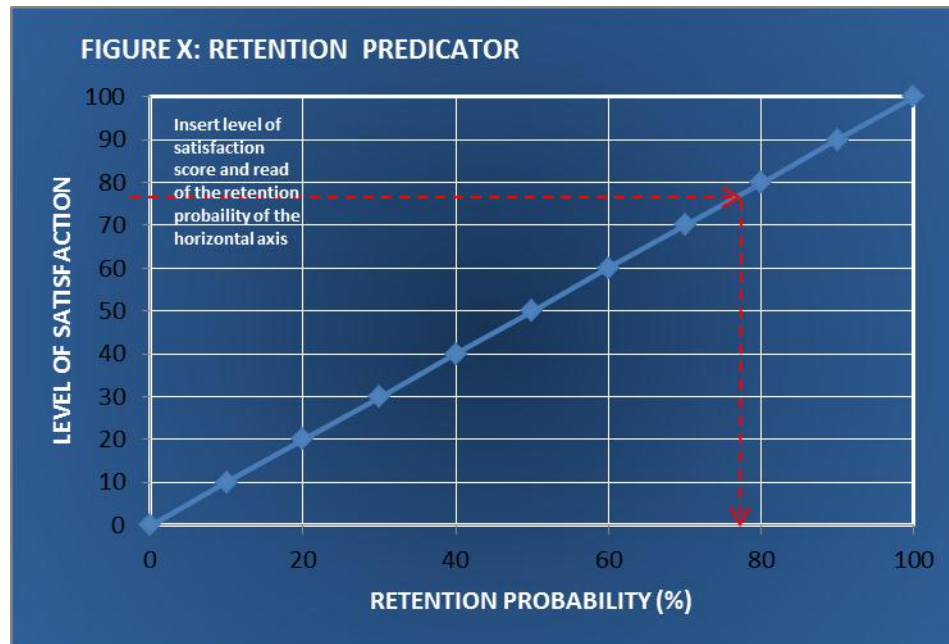
Another description refers to the retention enablers. The municipal model promotes the use of enablers to strengthen the application of the retention strategy. The enablers include, amongst others, the support by management, the use of an objective performance management system and many other systems which have already been discussed within the text.

Another form of description is knowledge management. The retention strategy is developed with a view to retain scarce and critical staff with plenty of knowledge. However, it is not always possible to achieve that objective as staff end up leaving when they want to. It is therefore the duty of management to ensure that knowledge is managed correctly within the organisation to avoid individuals leaving with critical organisational information and thus creating risks. The municipality has included this in its strategy to ensure follow up and implementation by management.

Finally, the municipality developed a robust framework to assist managers and supervisors to monitor or predict the departure of their employees. This information can be collated during the performance management sessions between the employee and the employer. The framework is based on the assumption that there is a direct correlation between the individual satisfaction levels and the chances of retaining that individual. The municipality uses the framework as a guide as it is aware that there are many other factors which the individual considers when making a decision to leave or not.



The illustration of this framework is shown in the diagram below:



**Figure 3.7: Retention predictor**

Source: City of Cape Town 2009b, Retention Strategy.

As discussed above, the municipality recommends that this model be used during the performance appraisal meetings with staff. This information will then be drawn into the manager's confidential report for drawing of personal development plans for employees.

### 3.8.3 The implementation plan of the retention strategy of the City of Cape Town

The municipality has not implemented its retention strategy in full scale yet. However, the foundation to its implementation has been put in place by a few departments with scarce and critical skills like engineers (City of Cape Town Retention Strategy, 2009). The municipality recommends that the following should be given attention to ensure effective implementation of the strategy.

- The full support by the senior management team;
- Scarce and critical skill audit to be performed;
- Relations with organised labour should be strengthened;
- There should be development and implementation of appropriate systems like performance management and talent management to support the retention strategy.



Notwithstanding the fact that most departments in the municipality have not implemented the retention strategy, it is in the best interest of the municipality that managers must be encouraged to apply the broad principles of the strategy to ensure that scarce skilled individuals are retained.

### **3.9 DEDUCTIONS**

This chapter has provided an overview of the City of Cape Town and further illustrated efforts made by the municipality in developing its retention strategy and bridging gaps that exist between the theory and practice during the implementation of its retention strategy.

With regards to Chapter 2, challenges have been outlined as generic and engineering specific, with challenges relating to career development, recognition and leadership skills being common with those experienced by the municipality as mentioned in Chapter 3. The engineering specific challenges like the national pass rate in mathematics, poor performance at tertiary education level, attractiveness of the sector etc. are seen as affecting the whole sector irrespective of the organisation as they are outside the control of organisations.

With all this information, the researcher is of the view that this chapter, together with the information obtained from the previous chapters, will provide a sound foundation to analyse and evaluate the effectiveness of the municipality's model towards retaining its scarce skills.

## **CHAPTER 4**

### **THE RETENTION OF SCARCE SKILLS IN THE CITY OF CAPE TOWN: RESULTS AND DISCUSSIONS**

#### **4.1 INTRODUCTION**

The previous chapter provided an overview of the City of Cape Town municipality, reflecting on its structure, retention challenges and the implementation of the municipality's retention strategy. This chapter focuses on the analysis of this retention strategy through information gathered from exit interviews, personal interviews and focus groups, using content analysis.

Prior to venturing into the analysis of results which form the basis of this chapter, it is crucial to draw from the literature review (Chapter 2) that retention strategies are developed mainly to prevent employee turnover. The reasons why employees leave organisations form an integral part of this study, as discussed in Chapter 2. Thus, it is logical that the first part of this chapter should provide an analysis of the reasons why the City of Cape Town civil engineers left or would consider leaving the municipality, by interviewing current and past civil engineers. The information collected will then be synthesised with the theory discussed in Chapter 2, and issues raised will be used to determine the effectiveness of the municipality's retention strategy.

Questions for personal and exit interviews were designed, based on pre-determined themes related to reasons why civil engineers left or would consider leaving the municipality. These pre-determined themes are composed of similar questions which are grouped together to enhance the analysis and interpretation and are obtained from Chapter 2 and the interview processes. The findings are based on information gathered through the use of semi-structured and open-ended questions during the interview processes.

As indicated in Section 1.4.1, 30 out of a total of approximately 150 current civil engineers were interviewed. Exit interviews were conducted with five civil engineers who had already left the municipality. The current civil engineers were able to provide the contact details of all these past civil engineers. The researcher made arrangements to interview these five individuals telephonically at scheduled and agreed times. Two additional civil engineers who were identified as having left the country for New Zealand could not be contacted. Efforts were made by the researcher to contact them by email, but there were no responses. The researcher was confident that this did not pose a threat to the sample size, and was therefore satisfied that the five civil engineers mentioned above were sufficient for the study.

Personal interviews were conducted with current civil engineers. To avoid a potential problem of not getting time with these engineers, the researcher scheduled the appointments in advance. When setting up these interview appointments, the researcher used the municipality's internal computer-based appointment scheduling system. Although five appointments had to be re-scheduled, due to certain individual's work schedules, this did not have a negative impact on the interview programme. The interviewed civil engineers came from two directorates within the municipality. The first directorate was utilities and the other one was transport, roads and storm water. All five civil engineers who had left the municipality indicated that they had worked for utilities directorate during their years with the municipality. Of the 30 current civil engineers interviewed, 13 were from the utilities directorate and 17 were from transport, roads and storm water directorate. The age profile respondents interviewed ranged from 25 years to over 60 years. This age profile is broken down as follows:

**Table 4.1: Age profile of interviewed Civil Engineers**

<b>AGE</b>	<b>UTILITIES DEPARTMENT</b>	<b>TRANSPORT, ROADS AND STORM WATER DEPARTMENT</b>	<b>TOTAL</b>	<b>%</b>
60 and older	3	4	7	23.3
55-59	2	3	5	16.7
50-54	3	5	8	26.7
45-49	1	1	2	6.7
40-44	1		1	3.3
35-39		2	2	6.7
30-34	3	1	4	13.3
25-29		1	1	3.3
<b>Total</b>	<b>13</b>	<b>17</b>	<b>30</b>	<b>100</b>

Source: City of Cape Town, 2010c.

The data stipulates that the majority of civil engineers interviewed were in the age group of 50–54 years followed by those within the age of 60 years and older. The scenario depicts that the retirement periods of these respondents are imminent. It is the responsibility of the municipality to plan for these circumstances to avoid unnecessary vacant positions.

The themes used for questions during interviews are as follows:

- Reasons that influenced/might influence an individual to leave the municipality
- Job satisfaction, challenges and working conditions
- Climate and cultural factors
- Remuneration and other service benefits
- Leadership style
- Training, career development and promotional prospects
- Other related issues.

Chapter 3 of this study interrogated the municipality's retention strategy and it further sketched the key drivers of the municipality's retention model. These are encapsulated as follows:

- Category A: Personal retention drivers
  - Personal development
  - Personal achievement
  - Personal recognition.
- Category B: Work environment retention drivers
  - Management style
  - Alternative career paths
  - Affiliation
  - Work environment.
- Category C: Organisational retention drivers
  - Vision and mission
  - Organisational culture
  - External environment.

The second section of the questions was aimed at analysing the extent to which the municipality's retention strategy was being implemented. The researcher designed the questions in such a manner that they probed the effectiveness of all the above-mentioned drivers, checking the extent to which they failed or succeeded in achieving the overall objective of the retention strategy. In a nutshell, these questions were designed to assist in getting closer to answers sought by the following main question of the study:

- How effectively is the municipality's retention strategy implemented?

The analysis process was also made possible by looking at results achieved by the municipality from its Service Delivery and Budget Implementation Plan (defined in Section 1.5 above).

Finally, the analysis of the retention strategy was further informed by the descriptive analysis of the information obtained from the results of the Siyamamela Campaign. This campaign is a survey that was conducted by Ipsos Markinor Consultants on behalf of the municipality during 2007, and was repeated in 2009 and again in 2011 to measure employees' perceptions and loyalty to the organisation. The analysis of the retention strategy would finally provide strengths or weaknesses that propel or negate its fundamental objectives.

To give context to the above-mentioned approach, the researcher will give an analysis of interviews conducted.

## **4.2 ANALYSIS OF EXIT INTERVIEWS**

Exit interviews were conducted with civil engineers who had resigned from the municipality during 2006. Their identification was made possible by making use of the current engineers. It was not an easy exercise to locate this group, as most of them had not only left the municipality, but had left the country for places like New Zealand, Australia, and other countries. Out of approximately 31 engineers who resigned during 2006 (IMESA, 2007), the researcher located 16 percent who agreed to participate in the study. They were five males, three of whom were white, two coloured and one black. Their service with the municipality ranged from ten to 30 years.

All data obtained from all interviews was coded directly from information given by interviewees, using the researcher's notes and information extracted from the tape recorder. The researcher allocated a blue colour to all questions answered by respondents and a red colour to all questions which could not be answered. At this point it is important to note that the respondents answered all questions with enthusiasm. The only red code which was used by the researcher was under the biographical data where one respondent refused to divulge his age. The researcher used human resource data to obtain this information.

The responses to questions posed during exit interviews are detailed as follows:

Out of 20 questions compiled for exit interviews, similar questions were grouped together to facilitate the analysis and interpretation. The first part of the questionnaire requested respondents to supply their biographical data. The second part was made up of various questions which were grouped in themes discussed below.

**Table 4.2: Analysis of exit interviews**

Related question	Exit interview responses
Reasons for leaving	All respondents mentioned that a need for change prompted them to leave the municipality. 🖐️
Job satisfaction, challenges & working conditions	80% of respondents were happy with their jobs and working conditions and 20%, although happy with their working conditions, were frustrated and have challenges of budget constraints and on issues of outsourcing of municipal major projects. 😊
Climate & culture	The municipality's political environment was highlighted as a concern by all respondents. 😞
Remuneration & other benefits	All respondents who resigned from the municipality were happy with the municipality's salaries during their time of employment, characterising them as market related. 👍
Leadership style	70% of respondents reported that there was minimal support from management in terms of supply of resources, e.g. budget. They further indicated that municipal processes and procedures were bureaucratic, resulting in delays in service delivery. The other respondents were happy with the leadership style demonstrated by management. 😞
Training, career development and promotional prospects	All respondents were satisfied with the municipality's training and career development system. They were also happy with their promotional prospects, and all of them indicated that they were already managers when they left the municipality. 👍
Other related issues	All respondents revealed that the recruitment and selection delays together with the amalgamation process challenges contributed in their decisions to leave the municipality. 🖐️

This result indicates that the majority of respondents resigned from the municipality due to the unstable environment of the municipality, their need for change, budget constraints and slow recruitment and selection processes.

### 4.3 ANALYSIS OF PERSONAL INTERVIEWS

Personal interviews were conducted with civil engineers who are currently working for the municipality. At the time of conducting the interviews, there were no civil engineers who were serving notice periods. Respondents came from Water and Sanitation and Roads and Storm Water departments. As discussed in Chapter 2 and Section 4.2 above, the process of identifying and differentiating civil engineers from other engineers was not a simple task as they occupied positions which were given general titles within the municipality, and since some of them often did not register with professional bodies, a reasonable number was actually identified for personal interviews. Out of a total of 150 civil engineers currently employed in the two departments, 20 percent of the total population agreed to participate in the interview. The sample was composed of twenty seven males and three women. Out of the male group, fourteen were white, six were coloured and seven were black. All women interviewed were black. Their service with the municipality was ranging from three to thirty eight years.

Nineteen questions were compiled for personal interviews. Similar questions were grouped together to facilitate the analysis and interpretation. The first part of the questionnaire requested respondents to supply their biographical data. The second part was made up of various questions which were grouped to themes discussed below.

Their responses are captured hereunder:

**Table 4.3: Analysis of personal interviews**

Related question	Personal interview responses
Reasons that can make them leave	Approximately 65% of respondents mentioned that compliance issues, bureaucracy and inflexibility associated with HR policies could make them leave the municipality. 10% of respondents indicated that they are close to retirement and will not resign. The other group would resign in search for challenging jobs. 🖐️
Job satisfaction, challenges & working conditions	60% of respondents (mostly senior engineers) were happy in all instances; however, 40% (mostly junior engineers) were unhappy about the outsourcing of major projects, leaving them less exposed to work involved in those projects. 😐
Climate & culture	75% of respondents were satisfied with the municipality's climate and culture, however 25% indicated that there was still room for improvement to be considered by the municipality. The performance management

	<p>approach and compliance culture used by the municipality were viewed as some of the best management tools in creating an acceptable culture for the organisation of this size. 👍</p>
Remuneration & other benefits	<p>Interviews with respondents revealed a broad consensus that the municipality was paying its employees according to market related salary scales. These respondents include both junior and senior engineers. A small number of respondents raised their dissatisfaction, pointing out that private sector companies were paying much higher salaries than the municipality, hence some engineers decided to resign and join private companies. 😊</p>
Leadership style	<p>90% of respondents felt that municipal leadership was to be applauded for its leadership style. The remaining 10% felt that there was a weakness associated with management not spending time with junior officials, thus neglecting giving out guidance. 👍</p>
Training, career development and promotional prospects	<p>Approximately 65% of junior engineers expressed their satisfaction in transfer of skills and experience received from senior engineers. They revealed that there were better chances for them to occupy senior positions when senior engineers retire. 👍</p> <p>However, 25% of respondents which composed of junior engineers argued that there was limited room for career development within the municipality due to senior engineers staying longer in their positions and the fact that major projects were outsourced. 🙅</p> <p>The remaining 10% felt there were no senior positions suiting them in the current organisational structure. 🙅</p> <p>All senior engineers at senior management level indicated no desire to go up the organisational structure as that would mean joining the politically linked contract positions, which they were not interested in. 🙅</p>

These results indicated an overwhelming indication that the municipality was paying their civil engineers well. Further, it is revealed that as much as the majority of engineers are satisfied with their jobs and working conditions, the municipality still needs to deal with a challenge of



outsourcing major projects. For climate and culture and also leadership style, the respondents gave positive feedback. In relation to career development, the majority of respondents gave a positive response with only challenges highlighted around the issue of outsourcing of major projects.

#### **4.4 ANALYSIS OF THE CITY OF CAPE TOWN'S RETENTION STRATEGY – FOCUS GROUPS**

Four focus groups were conducted with human resource officials, recruitment officials and some civil engineers from the management levels to ascertain the effectiveness of the municipality's retention strategy. As stated in Section 4.1 above, the City of Cape Town has a retention strategy which is divided into three categories of drivers. The researcher used these drivers together with information gathered from exit and personal interviews as basis for questions asked during these focus group interviews. These were utilised to inform the discussion that is contained in this section. The questions asked to these groups were mainly focused on prompting the effects of the retention strategy on retaining scarce skills, especially those of civil engineers.

Sixteen questions were compiled for personal interviews related to general human resources. Thirteen questions were compiled for recruitment officials. For these focus groups, similar questions were grouped together to facilitate the analysis and interpretation. The first part of the questionnaires requested respondents to supply their biographical data. The second part was made up of various questions which were grouped to themes as discussed below.

**Table 4.4: Analysis of the municipality's retention strategy**

Related question	Focus group responses
Retention approach	<p>All respondents indicated that the municipality was using a talent management approach encompassing succession planning, personal development planning, and leadership that was taking a holistic view to scarce skill retention. The approach was not only focusing on remuneration but on all other factors that make up an individual employee.</p> <p>Theory reveals that it is imperative that organisations should maintain highly competitive employees, and in order for this to be possible, it necessitates a sophisticated and systematic approach to talent management (James, 2003). Organisations should use the talent management system as a tool for selection, retention, promotion and development of their employees.</p> <p>All respondents also pointed out that the dual band system was being rolled out to certain professionals and levels within the organisation, with</p>

	special focus on scarce skills. Finally, they confirmed that the municipality's retention strategy was aimed at developing internal talent rather than focusing on external candidates. This had huge effects on retaining current employees. 😊
Management buy-in	The involvement of senior management in the development and implementation of the municipality's retention strategy was cited as one of the aspects strengthening the overall implementation of the retention strategy by all respondents. 😊
Retention committee	All respondents agreed that the municipality did not have a retention committee in place which was supposed to compose of different professionals tasked to monitor the implementation of the retention strategy. However, the municipality's view was to set up a talent management committee by 2012/2013 where all diverse groups within the municipality will be represented. 🙏
The link between the retention strategy and the recruitment policy	<p>All respondents claimed that there was currently no interface between the recruitment and selection process and the implementation of the municipality's retention strategy. The municipality was at a point where this was being explored.</p> <p>These respondents also confirmed that the municipality was intending to outsource the exit interview process to ensure independency. 🙏</p>
Networks with other recruitment practitioners	According to majority of respondents, the municipality has no formal networks with other recruitment practitioners, however there were informal networks forged with other metropolitan municipalities. These networks were assisting in alleviating challenges associated with competing for scarce skills. 😊
Recruitment approach	<p>In order to attract best candidates, the municipality was advertising in engineering websites and magazines.</p> <p>The majority of respondents indicated that there was equal partnership between the recruitment and selection section and the line departments which were looking for appointing new candidates. 🙏</p>

These results indicate that although there was general consensus amongst respondents that the municipality has used a holistic approach to the retention of scarce skills, it may be argued that within that holistic approach lie some weaknesses. These weaknesses are evident in the fact that while creative work has been put into the developmental part of the plan, weaknesses are identifiable in the implementation area. Thus, the municipality's attention needs to focus on them.

The effectiveness of the municipality's retention strategy was further tested by using results obtained from the Service Delivery and Budget Implementation Plan (SDBIPs), discussed hereunder:

#### **4.5 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) PROCESS**

As previously discussed in section 4.1, the SDBIPs is one of the municipality's performance management plans used to measure the effectiveness of its processes and services. One of the key performance areas (KPAs) measured by this tool is the retention of skills as measured by staff turnover. The scarce skills aspect forms part of this KPA.

The measurement is performed on a quarterly basis with a baseline of  $\leq 12$  percent. For both departments under discussion, the actual performance was measured at far lesser than 12 percent of the international norm for the previous financial years, with the current financial year's results for the 2<sup>nd</sup> quarter (December 2010) registered at 4.51 percent for Transport, Roads and Storm water Directorate, and 3.66 percent for Utilities Directorate. The respondents were confident that the municipality as measured by this tool was doing well in keeping the employees within the organisation.

Finally, the researcher will interrogate the Siyamamela Campaign, the municipality's strategy that is aimed at retaining employees by measuring their perceptions and loyalty to the municipality.

#### **4.6 SIYAMAMELA CAMPAIGN**

As discussed under Section 4.1, the Siyamamela Campaign was conducted from 2007 by Ipsos Markinor Consultants on behalf of the municipality. The human resource respondents indicated that the first year was treated as a baseline where priority areas were identified. During 2009 the municipality worked on the issues raised by the workforce, developing some intervention mechanisms in an effort to become a world class municipality. As the current study is based on engineers within Utilities and Roads and Storm Water Departments, the researcher will focus on the results of these departments.

The reactions of employees from the results below are defined under four areas. Truly loyal employees are those employees who are happy to be associated with the municipality and are not looking for alternative employment. Trapped employees are categorised as those employees who do not want to be part of the organisation, but just because they cannot get alternative jobs, they remain with the municipality. Accessible employees are those employees who are available for new job opportunities but are not actively looking for any job. Finally, high risk employees refer to those employees who are actively looking for jobs and are unhappy to be associated with the municipality. The campaign results for roads & storm water department are shown below for periods 2007 and 2009:

**Table 4.5: Siyamamela Campaign departmental results**

Utilities Department			Roads & Storm Water Department		
	2007 Results n=715	2009 Results n=655	2007 Results n=395	2009 Results n=510	International Norm
Truly loyal	29%	34%	31%	31%	41%
Trapped	32%	23%	31%	23%	26%
Accessible	5%	8%	7%	9%	6%
High risk	30%	28%	27%	28%	26%

Source: Ipsos Markinor, 2009.

The respondents reported that although the Roads and Storm Water department maintained its result of truly loyal employees from 2007 to 2009, the Utilities department improved from 29 to 34 percent. Both departments reduced their trapped employees from 2007 to 2009. With regards to the Utilities department, high risk employees were reduced from 30 to 28 percent, however this group was a bit of a concern for the Roads and Storm Water department as these employees increased from 27 percent in 2007 to 28 percent in 2009. The accessible employees remain a concern for both departments as their numbers increased from 2007 to 2009.

These results were considered by human resource officials when they were developing the municipality's retention strategy.

## **4.7 COMMON THEMES REOCCURRING FOR BOTH EXIT INTERVIEWS AND PERSONAL INTERVIEWS**

### **4.7.1 Communication of the retention strategy**

The majority of respondents from both junior and senior levels reported that they were not aware of the existence of the municipality's retention strategy or it was not communicated widely. Some of those who were aware of it were not happy about its implementation plan, pointing out that the scarce skills allowance was offered to a selected few. The researcher is of the opinion that these are based on the targeted nature of the implementation of this strategy as detailed in the municipality's model. The model also highlighted that the retention policy was still piloted only within certain departments of the municipality.

### **4.7.2 Political nature of local government**

As discussed above, from both interviews and the retention model itself, the political environment was regarded as a disturbing factor to service delivery by a majority of respondents. The pressure which was occasionally exacted by politicians to operations was for example seen as disrupting priorities and affecting meeting some deadlines.

### **4.7.3 Bureaucracy**

The majority of respondents from exit interviews and personal interviews were of the opinion that the bureaucracy within the municipality was a problem and it was causing delays in meeting set deadlines related to service delivery. This forms part of the challenges which are recognised within the municipality's retention strategy. Some respondents were of the opinion that more flexible delegations need to be introduced by the municipality to enhance service delivery.

### **4.7.4 Outsourcing of major projects and staff secondment**

All respondents felt uneasy about the outsourcing of major projects. As detailed in the municipality's retention model, the municipality was proactive in recognising this and strategically incorporated it within the retention model. It also emerged from interviews with human resource respondents that the municipality's supply chain management processes were taking this concern into account in an effort to address it.

### **4.7.5 Human resource policies and procedures**

Human resource policies and procedures were pointed out as being inflexible, not progressive and also delaying service delivery by all respondents. Areas of concern were around inflexibility and strict recruitment and selection processes. Another concern was around the labour related

legislation associated with the process of staff secondment. The process was seen as dragging due to legislative challenges.

#### **4.7.6 Performance management system**

The municipality is respected by the majority of respondents for its performance management system. However, some respondents, especially those at management level, view this system as skewed due to the negative effects it has on top-earners. According to the system, if employees reach the top of the salary band, they lose the qualifying status to the performance management system as this would take them to another band and that is not allowed by the policy; hence the dissatisfaction from top-earners.

### **4.8 DISCUSSIONS**

Various factors that are affecting municipal civil engineers as possible causes for resignations have surfaced during the study. Notwithstanding the fact that some themes did not conclusively point out the lack of effectiveness of the retention strategy, to an extent, the researcher was able to draw some conclusions and point out the gaps to the retention strategy as discussed hereunder.

#### **4.8.1 General reasons for engineers leaving the municipality**

The respondents' reasons for leaving or considering leaving the municipality varied. The younger respondents would consider resigning only when they were faced with better opportunities from other organisations or were strongly limited in their career growth due to major projects being outsourced by the municipality. Both junior and senior engineers were concerned about the bureaucracy when it came to municipal systems. The issue of performance bonuses which were considered skewed and disadvantaging the top earners was raised as a concern by most respondents. Reaching retirement age was mentioned as a reason by most senior engineers. Some respondents were unhappy about the lack of support from management in as far as resources were concerned. Despite all the above concerns, all respondents were happy with the working conditions and experience they were getting from the municipality.

These findings are consistent with the findings as stated by Cartor (as cited in Ahlrichs, 2000:156), where he states that long-term good performers have different reasons for leaving and amongst them the following are stated:

- Employees cannot identify advancement or growth opportunities.
- There is no link between performance and pay.
- They feel that no or only limited support and/or resources are allocated.
- Their abilities are not fully utilised.

According to the literature review by Taylor (2002:66), reasons that cause employees to leave organisations are divided into pull factors, push factors and involuntary factors. It is imperative for organisations to perform some investigations into what matters most to their employees. According to pull factors, an employee might be fully satisfied in his or her current job and might want to move out in search of better pay, greater job security or more benefits. Under push factors, an employee is pushed away because there is something that is unsatisfactory within the organisation. The issues raised by the respondents above might constitute push factors and cause employees to leave the municipality. It is the responsibility of the municipality to look at these and consider some solutions.

Findings from the study by Winterton (2004:372) which indicates that employees leave organisations due to retirement, voluntary resignations and dismissals are consistent with the current findings where some respondents indicated that they would leave the municipality through retirement.

The findings from the current study are also consistent with the findings from Rogerson and Rogerson (2000:47) who state that young professionals are motivated to migrate in search of international work exposure. During the interviews, some respondents alluded to the fact that some civil engineers were lost to foreign countries like Australia and New Zealand.

In an effort to prevent high employee turnover and managing the scarce skills retention, the human resource officials claimed to have a holistic retention strategy that was informed by the results of the municipality's Siyamamela Campaign that was started in 2007 (baseline) and repeated in 2009 to measure the employees' loyalty to the organisation. This campaign was aimed at listening to employees' views and perceptions of the municipality's way of doing business. This initiative is supported by Cooper (2002:11) who states that organisations need to analyse employee turnover so that they can deal with it in a better way.

#### **4.8.2 Remuneration and other service benefits**

The issue of remuneration was not regarded as a concern by a majority of respondents as they felt that the municipality was paying them at a market related level. This view is supported by a study by Louw (1999 as cited in Wood, 2001), where he states that reasons for high attrition do not only originate from remuneration. It was further indicated that the only time some respondents could consider leaving because of money, was when other organisations were making offers they could not resist. This finding is supported by Rogerson and Rogerson (2000:47–48) who indicate that the main reason for skilled professionals to leave South Africa is “the highly attractive salary packages offered by enterprises in North America, Europe and Australia”.

Furthermore, the findings of the current study are supported by Du Toit and Roodt (2009:91) who state that remuneration and working conditions of engineers within the employment environment need to be improved for them to be retained.

#### **4.8.3 Job satisfaction and working conditions**

During interviews, the majority of respondents expressed their high regard of the municipality for the work experience it afforded them. However, their negative experiences mentioned under 4.8.1 above were causes for concern and could make them decide to leave the municipality. The findings of the study are supported by the discrepancy model of job satisfaction used by George and Jones (2007:91) where they indicate that the higher the level of dissatisfaction amongst employees, the stronger the chances that they will leave the organisation. Additionally, in support of the current study findings, Taylor (2002:95) in his research on human motivation and job satisfaction suggests that “payment is a good deal less powerful as a positive motivator than intrinsic rewards received from the pleasure the people gain from doing the job itself.

#### **4.8.4 Climate and culture factors**

The findings of the current study reveal that most respondents were happy with the municipality’s positive work ethics and performance management based style of leadership. This finding is in support of the finding by Srivastava and Bhatnagar (2008:256), who argue that employees are passionate about their jobs when they feel they are fitting in within its culture. Managers are responsible for instilling a ‘motivating organisational culture’ that inspires all employees to do their utmost best in the organisation, even in the absence of the manager (Bruce & Pepitone, 1999).

The political environment in which the municipality is operating, and the negative effects this has on operations as mentioned by respondents, is an issue which is beyond the management of the municipality. The researcher is of the view that the introduction of the Municipal Systems Amendment Act, 2011, which is aimed at professionalising local government for improved service delivery and performance management, will contribute in depoliticising local government and possibly lessen this negative effect on operations.

#### **4.8.5 Leadership style**

In the present study, some respondents reported that there was limited support from management in relation to supply of resources like budget and human resources. This is contrary to a definition of management as given by Taylor (2002:76) who states that managers aim to achieve organisational goals by making use of the allocated inadequate resources. Leadership and management styles contribute significantly in staff retention. Up to 85 percent of reasons why employees leave organisations are linked to direct management (Sullivan, 2000). For retention



strategies to be successful, it is important that retention efforts must revolve around a manager (Wheeler, 2000).

#### **4.8.6 Career development**

The young engineers and those who resigned indicated satisfaction with work experience they were given by senior engineers except for non-exposure to major projects which were outsourced to consultants. Current engineers indicated that this non-exposure was one of the reasons that would make them resign in future if it prolonged. This finding is supported by Branham (2005), who indicates that new recruits tend to join organisations with some expectations, and if these expectations are not met, they will decide to leave the organisation.

The current study further revealed that there were personal development plans which were developed in line with the workplace skills plan and these plans were agreed and signed by the respondent and the manager. However, there were sometimes challenges in terms of getting time off from the projects to attend training. This finding shows that respondents are interested in their career development and this is supported by Taylor (2002:14) who states that employees have a considerable amount of interest in developing their careers. This is further affirmed by Cartor (as cited in Ahlrichs, 2000:156) who states that when employees cannot identify advancement or growth opportunities within an organisation, they might decide to leave. These findings are also supported by Rogerson and Rogerson (2000:47) where they state that, in search of career development and international work exposure, young professionals emigrate. Employees that ignore training and development of their staff tend to lose them in the long term.

#### **4.8.7 City of Cape Town's retention strategy**

Effective retention strategies come in various forms and shapes, forming building- blocks from the selection process to the point where the employee exits the organisation (Davidson, 1997). In support of this, Chapter 3 of this study made reference to the municipality's three prong retention strategy which is utilised to retain scarce skills. Interviews were conducted with engineers in search of what made them or could make them leave the municipality. The question now is whether the municipality's retention strategy is capable of addressing the concerns and issues identified by the respondents.

The researcher will, in the following discussion, concentrate on personal retention drivers and their impact, based on respondents' responses.

- **Personal retention drivers**

The municipality's personal retention drivers deal with personal related issues which motivate individuals at the work place. These are the issues related to personal development, personal achievement and personal recognition. This approach is supported by Taylor (2002:85) who states that organisations need to find strategies and means of cutting unwanted turnover, which can be achieved by providing the employees with a better deal than they had in the past.

In terms of the current study, the municipality has structured its retention strategy to be talent management driven, promoting systems like bursary schemes, staff secondment, and dual-careers. In support of this approach, Du Toit and Roodt (2009) state that the strategy of creating dual career paths and adopting a talent management approach in organisations has proven successful in terms of the retention of technical skills. However, Chapter 3 has made reference to the fact that the municipality has not implemented this strategy in full scale yet. This talent management approach of the municipality is also supported by the information received from interviews with engineers where they confirm that the municipality was doing well in developing its staff and giving them valuable experience. The respondents also confirmed that they were being supported financially by the municipality towards obtaining relevant qualifications. This finding is supported by Taylor (2002:114) where he states that employees have considerable amount of interest in developing their careers.

The weakness of the retention strategy was identified around the issue of staff secondment. Staff secondment relates to temporal placement of staff to outside organisations so that they may acquire competencies or experience lacking in the current job. The municipality's retention strategy makes reference to staff secondment and an indication is that the process is still under investigation to ensure that best practice organisations are chosen and that objectives of the secondment are clearly defined. Further, this investigation seeks to ensure that staff is seconded to organisations who have job contracts with the municipality so that service level agreements can be signed between the municipality and the relevant organisation to avoid any conflicts of interest. The majority of respondents highlighted that human resource department processes were currently not allowing staff to be seconded to consulting firms to gain experience when major projects were outsourced to them. This finding is contrary to the views by Bloor and Maynard (2003) who suggest that a good and effective retention strategy must be supported by the development and the implementation of relevant policies that support it.

Employee personal achievement is one segment which is receiving special attention in the municipality's retention strategy. The strategy seeks to address succession planning, career paths and internal recruitment. The municipality's strategy of internal recruitment is seen as a strength

which contributes positively to employee career paths as internal staff get to be promoted before external candidates. However, this intention is weakened by the fact that respondents feel that their chances of promotion are minimised by the longer stays in positions of senior officials. The feeling is that the municipality must look at other strategies to address this. Pertaining to succession planning, the human resource officials confirmed that the process is still at infancy stages and would require a strong support from leadership.

Personal recognition is the last element within the personal retention driver. It encompasses issues like performance related pay, scarce skills allowance, retention bonuses and non-financial recognition programmes. The municipality is performance management driven. This was confirmed by all respondents during interviews. The system was confirmed as working well although at some point some employees reach the maximum of their scales and end up not benefiting from the system. A request was made that the municipality should look at this and addresses it as a matter of urgency as its effects were very negative to engineers. There were mixed reactions to the municipality's implementation of the scarce skills allowance. Most respondents were not aware of the system, and others were benefiting from the implementation of the scarce skills allowance. From the human resource point of view, the scarce skills allowance was only implemented to those skills which were identified and categorised as scarce and critical to the operations of the organisations. They also highlighted that in order for the system to be manageable and sustainable it needed to be cautiously controlled during implementation.

- **Work environmental retention drivers**

Employees operate in a work environment when performing their duties, hence it is critical for the municipality to consider the work environment when developing its retention strategy. According to Taylor (2002), the working conditions under which the employees work include, amongst others, working hours, physical working conditions, employment security and job design. However, the work environmental driver of the municipality's retention strategy is made up of elements like management style, provision of alternative career paths for people not wishing to be managers, accountability for retention, affiliation, easy return and work environment.

The political environment in which the municipality is operating, coupled with the high legislated nature of the municipality, was viewed widely as having negative effects on service delivery. It is viewed that external intervention from Provincial and National government would be beneficial. The municipality's retention strategy further touches on training and development of management as they play an important role in employee retention. This initiative would be beneficial for the municipality as it would address some concerns raised by some respondents around lack of management support and delays in making decisions. One of the strengths of the municipality's

retention strategy is the management accountability framework which is put in place in order to ensure proper implementation. The human resource respondents made it clear during interviews that the policy is yet to be communicated widely throughout the organisation.

Pertaining to the municipality's intention to provide alternative career paths for people not wishing to be managers, the respondents felt this was not yet operational as, in order for them to be at managerial level paying jobs; they have to join the management level which is characterised by general management duties and have to forfeit their technical skills.

Finally, the municipality's retention strategy focuses on work environment and easy return programmes. During interviews, respondents commended the municipality on the good working conditions they were working under, and easily available and appropriate safety resources they use. As clearly stated in the municipality's retention strategy, the issue of implementing flexible working hours is still a challenge due to its impact on the current conditions of service which stipulate that they need to be implemented to a specific targeted group within the scarce skills. The retention model thus supports the implementation of flexible hours to a specific targeted group, focussing on scarce skills. Hopefully this will be beneficial to civil engineers.

- **Organisational retention drivers**

These are retention drivers which are categorised as having an influence on the employees' perception about the organisation and on whether to stay or leave in that particular environment. Nevertheless, they are regarded as having less impact on the employee decisions than personal and environmental drivers. The factors that make up these drivers are the organisation's vision, mission, organisational culture and external environment.

Respondents claimed that the municipality had a positive image which is drawn from the systems which it was implementing. The performance management system was viewed as one of the tools creating a good image for the municipality. The vision, mission and objectives of the municipality which were clearly stated in the municipality's Integrated Development Plan (IDP), was viewed as giving direction to the employees.

The issues of political environment and legislative bureaucracy which were raised above are still relevant here. Of significance to this, the municipality's retention strategy also makes reference to these issues, highlighting them as external factors which might influence employees to leave the organisation. However, the municipality argues in favour of legislative bureaucracy, making a point that if the process leads to a clean administration, employees would want to be associated with that organisation.

## 4.9 SUMMARY

This chapter has illustrated the municipality's approach in retaining its scarce skills. Gaps were identified through interviews with current and past engineers. From these interviews it was evident that the municipality's retention strategy has its strengths and weaknesses, of which a few will be outlined in this section.

From the research data provided by interviews, the researcher is of the view that whilst there is a remarkable effort made by the municipality in implementing its retention strategy, there is still more room for improvement in order to achieve its effective implementation. This statement is drawn from the analysis of the following main and common themes:

During the exit interviews, approximately 80 percent of respondents indicated that they were happy with their jobs and conditions of service whilst they were working for the municipality. They stated that their reasons for leaving were related to a need for change, otherwise they would not have left. All these respondents were happy with their remuneration and career development. However, they raised some concerns related to bureaucratic systems which were caused by legislation and human resource processes which partly contributed to their resignations.

An analysis of personal interviews revealed that approximately 65 percent of respondents reported that they would leave the municipality if the inflexibility of human resource policies and bureaucracy persisted within the municipality. However, the researcher is confident that this is not a major issue for the municipality as it has already included this as one of its challenges to be addressed for effective implementation of its retention strategy. Approximately, 75 percent of the respondents were satisfied with the climate and culture of the organisation and were happy to be associated with it. Ninety percent of civil engineers indicated satisfaction about the municipality's leadership and remuneration, whilst approximately 65 percent of inexperienced civil engineers were happy with the experience which they were getting from senior engineers. Another point which the researcher is of the opinion can be attributed to the effective implementation of the retention strategy is the fact that experienced civil engineers were staying longer in their positions within the municipality whilst junior civil engineers were indicating that they were gaining valuable experience.

The measurement of the effectiveness of the municipality's retention strategy was further made possible by making use of the Service Delivery and Budget Implementation Plan. Both departments under research showed positive results of 4.51 percent and 3.66 percent for the second quarter (December 2010) which are far below the 12 percent which was recorded as the baseline for the previous year.

Lastly, the positive results from the Siyamamela Campaign as reflected in Section 4.6 are also seen as positive contributors to the effective implementation of the retention strategy. It is highlighted that the departments under review have either maintained or improved the number of their truly loyal employees. These employees are the ones who are happy to be working for the municipality and are perceived to have made the decision to stay longer. The number of employees who see themselves as stuck within the municipality were reduced from 32 percent to 23 percent for Utilities Directorate and from 31 percent to 23 percent for Roads and Storm Water Directorate. Areas of concern raised by employees were noted by the municipality with the intention of dealing with them before the next survey.

To conclude, the municipality has a retention strategy in place and most of the areas of concern extracted from interviews were already documented within the municipality's retention model. However, the ad hoc manner in which the strategy was being implemented by the municipality was rendering the work done almost insignificant.

Finally, Chapter 5 will provide recommendations and conclusions to the study.

## **CHAPTER 5**

### **THE RETENTION OF SCARCE SKILLS IN THE CITY OF CAPE TOWN: CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

Retention of scarce skills is a global challenge. Public sector organisations are competing with those in the private sector for scarce resources. In an effort to mitigate the effects of losing critical skills in the job market, most organisations retain professionals who fall under this category, by developing and implementing retention strategies. Throughout this study, the City of Cape Town's retention strategy has been reviewed and analysed to determine its effectiveness in retaining civil engineers. Based on the findings, this chapter will provide a conclusion to the study and further propose some recommendations to the municipality towards improving the efficacy of retaining their scarce skills and for future research purposes.

#### **5.2 CONCLUSIONS**

**Chapter 1** introduced the topic of the study and put forward the research problem, highlighting the retention of scarce skills as a common challenge facing many organisations globally. As the City of Cape Town is operating in the same environment, it is not insulated against such corporate challenges. The chapter further detailed the objectives of the study as follows:

- To critically analyse the City of Cape Town retention strategy and model;
- To identify and analyse retention challenges; and
- To make recommendations on how the retention strategy can best be implemented.

The chapter concluded by describing the research design, methodology, analysis and outlining some limitations to the study.

**Chapter 2** provided a literature review on retention of scarce skills. The chapter initially gave the conceptual clarification and theoretical perspective of the retention of scarce skills concept, where relevant definitions were outlined. This chapter further detailed reasons why employees and specifically engineers were leaving organisations. Lastly, the chapter concluded by providing challenges and strategies associated with retention of scarce skills.

**Chapter 3** dealt with the City of Cape Town's case study, where a brief overview of the constitutional mandate of the municipality was described. The chapter also reflected on the organisational structure and delved into responsibilities inherent in the constitutional obligations of

the municipality. Further, the municipality's retention challenges were discussed. Finally the main focus was on the retention of the scarce skills process within the municipality.

**Chapter 4** set the tone for the content analysis of the information gathered from interviews. Respondents included civil engineers and human resource officials from the municipality. Briefly, the following section reflects on observations made from the study and further proposes some recommendations.

### **5.3 FINDINGS AND RECOMMENDATIONS**

During interviews, respondents alluded to reasons which could make them or had made them to leave the municipality. The researcher found out that most of these reasons were known to the municipality and strategies to deal with them were incorporated within the municipality's retention model for implementation. Despite the commendable efforts made by the municipality in developing the retention strategy, there are still concerns regarding gaps between what is contained in the strategy and the implementation plan. To bring context to this section, the researcher will hereunder detail concluding remarks which are linked to the main focal points of the study.

The respondents perceived the municipality as one of the best employers within local government in the country. They voiced their high regard for its efficient processes and systems. Surprisingly, the remuneration and benefit systems of the municipality were reported as market related, and respondents were happy with their salary packages. However, there were those who indicated that when a person reached the highest limit within their salary grades, they would lose out on performance bonuses. The researcher also observed that there was a link between remuneration preferences and age of respondents.

The use of consultants on major projects was responsible for the most unhappiness amongst civil engineers. This was seen as a limiting factor to career development. This was evident during interviews. In its retention model, the municipality has been proactive enough to include the staff secondment as part of its approach to dealing with this challenge. Although this has not yet been implemented by the municipality, it is within the strategy that staff would be seconded to consulting firms when major projects are outsourced.

There was a great need for leadership support in relation to financial and human resources. The budget cuts were identified as having negative impacts on service delivery. The literature review indicates that leadership plays a big role in any organisation. Another observation suggested a



frustration related to promotional opportunities, as it was identified that most senior officials stay longer in positions.

The data analysis further indicated that bureaucracy and the political nature of local government were singled out as concerns for the respondents. Their great concern was the negative effects that these were having on service delivery.

In an effort to deal with the above-mentioned challenges, the municipality developed a retention strategy. At the time of conducting this research, this strategy was being implemented to a few targeted professional groups which only included civil engineers; however not all managers were aware of its existence.

In Chapter 2, various retention strategies focusing on engineers were discussed. Lawless (2007:27) advises that organisations need to adopt retention strategies which incorporate the following:

- Market related remuneration
- Dual career paths
- Flexibility for women engineers
- Opening up of the immigration system
- Recruitment of retired engineering professionals and expatriates
- Moratorium on employment equity within the engineering scarce skill
- Adoption of talent management approach
- Creation of an occupational brand.

In Chapter 3, the municipality's three prong retention strategy which covered personal retention drivers, work environmental retention drivers and organisational retention drivers was discussed. These drivers have taken into account the important aspects which make up a human being, which include all aspects mentioned by Lawless above, except for flexibility for women engineers and opening up of the immigration system. As discussed in Chapter 3, the strategy has adopted a talent management approach and has put strategies in place on how it would deal with aspects like personal development, management styles, career paths, organisational culture and external environment. Although the municipality has strategised around these issues, their challenge was on rolling out the project within the organisation. Issues related to budget constraints and legal considerations are some challenges which delay full implementation of this strategy. The municipality was also supporting the view that some turnover was necessary, so limiting the roll out of their retention strategy was intentional.

### **5.3 RECOMMENDATIONS TO THE ORGANISATION**

Taking into consideration the findings of the current study and based on the previous discussions, the municipality should consider the following recommendations:

- The municipality should drastically improve its internal communication on the question of the existing retention strategy to create awareness and solicit buy-in from management and employees.
- The municipality should have a retention committee that monitors the implementation of the retention strategy and the priority should be on scarce skills.
- As a strategic intervention to enhance the retention strategy, the implementation of major and often technical projects should be allocated to internal engineers as a priority as opposed to being outsourced entirely to outside consultants, denying internal candidates chances to learn and grow.
- The municipality should strengthen the existing implementation of dual career paths for engineers.
- The retention strategy should be aligned with the recruitment and selection policy.
- The human resource policies should be flexible to allow for staff secondment to consulting firms, speed up the filling of vacancies and appointment of interns.
- Although the remuneration policy was categorised as market related, the municipality should consider implementing a holistic and balanced remuneration model that incorporates both financial and non-financial aspects.

### **5.4 RECOMMENDATIONS FOR FURTHER STUDY**

As an extension to the study, it is recommended that:

- Further research could be conducted to include organisational consequences for failing to recruit and select the right talent.
- The effects of leadership styles on employee motivation.
- It would be interesting if the same research could be conducted on a diverse group of professionals within the municipality.

## **5.5 SUMMARY**

This chapter concludes the current study by drawing conclusions and proposing some recommendations. Based on the data analysis, it can be concluded that the study questions have been answered. The City of Cape Town has a retention strategy, which in terms of its implementation is targeting scarce skills. The researcher is of the view that, with the above-mentioned recommendations, the municipality's retention strategy can be implemented effectively. Further, the researcher is of the view that the objectives, as outlined in 1.3.1 were achieved. The recommendations to the organisations and for further research were made.

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## **Appendix A:**

### **Covering letter – Interviews**

#### **The Retention of Scarce Skills: The Case of City of Cape Town Municipality – An Analysis**

Dear Sir/Madam

I am a Masters student in Public Administration at the University of Stellenbosch. I am conducting a research on retention of scarce skills within the City of Cape Town Municipality. The research is purely conducted for the completion of my degree and is strictly for academic purposes.

This correspondence is to notify you that you have been selected to form part of this research. I will contact you and schedule an interview that will take place at a time and venue convenient to you.

Your co-operation is highly appreciated.

Regards

Nothemba Lepheana

## **Appendix B:**

### **Exit interview questionnaire – Civil engineers**

#### **BIOGRAPHICAL INFORMATION**

Name: .....

Designation: .....

Department: .....

Gender: (a) Male (b) Female

Race: (a) African (b) Coloured (c) Indian (d) White (e) Other

Age: (a) under 25 (b) 25-34 (c) 35-44 (d) 45 – 54 (e) 55 and over

.....

1. What was/were your reason/s for leaving the City of Cape Town Municipality? If possible, put them in order of priority!

2. What has your level of job satisfaction been within the municipality?

1 = Very low, 2 = low, 3 = moderate, 4 = high or 5 = very high: Please elaborate on reasons why at a specific level.

3. What were some of the things you liked and disliked about your position?

LIKES: .....

DISLIKES: .....

4. What degree of challenge did your job provide?

1 = very low, 2 = low, 3 = moderate, 4 = high or 5 = very high: Please qualify your response by providing examples of tasks that challenged you.

5. What was your level of utilization?

1 = very low, 2 = low, 3 = moderate, 4 = high or 5 = very high

Comments: .....

6. Do you feel that the work you did contributed to the achievement of the municipality's goals?

YES OR NO

Please comment: .....

7. How adequate was the training and development you received? OR What ways, if any, has your experience of working for the municipality supported your personal or professional development?

YES OR NO

Please comment: .....

8. How did you feel about your promotional prospects?

9. Did you leave the municipality with positive, negative or mixed feelings?

Comments: .....

10. Are there any general comments (positive or negative) regarding:

- The organization
- Processes and Practices
- Leadership and People
- Climate and Culture

Positive: .....

Negative: .....

11. Are there any recommendations you would like to make regarding the above or in general?

12. How did you get along with your supervisor? (Access, treatment, support, openness, acknowledgement)

Comments: .....

13. How did you get along with your colleagues?

Comments: .....

14. How adequate was your salary, benefits and general working conditions?
15. Were you happy with the freedom you had to make your own decisions?
16. Did you find Municipality's promotional policy to be fair?

YES/NO

Comments: .....

17. What actions, if any, would you suggest management take to improve the following?

- a. Systems and procedures
- b. Quality of work life
- c. Communication/ Consultation
- d. Quality of work life
- e. Access to information

18. Would you recommend the municipality as a good employer? Why?

19. What would you require that might make you to re-consider your resignation/retirement?  
Under what circumstances would you withdraw your resignation/return to work on post-retirement contract?

20. Any additional comments: .....

.....

Thank you for your co-operation!

## Appendix C

### Personal interview questionnaire – Civil engineers

#### BIOGRAPHICAL INFORMATION

Name: .....

Designation: .....

Department: .....

Gender:    (a) Male                      (b) Female

Race:        (a) African            (b) Coloured            (c) Indian            (d) White            (e) Other

Age:        (a) under 25            (b) 25-34            (c) 35-44            (d) 45 – 54            (e) 55 and over

.....

1.    What are the reasons that might influence you to leave the municipality? If possible, please put them in terms of priority.

2.    What is your level of job satisfaction within the municipality?

1 = Very low, 2 = low, 3 = moderate, 4 = high or 5 =very high: - Please elaborate on reasons why at a specific level.

3.    What are some of the things you like and/or dislike about your position?

LIKES .....

DISLIKES .....

4.    What degree of challenge does your job provide?

1 = very low, 2 = low, 3 = moderate, 4 = high Or 5 = very high: - Please qualify your response by providing examples of tasks that challenge you.

5.    What is your level of utilization within the municipality?

1 = very low, 2 = low, 3 = moderate, 4 = high or 5 = very high



Comments: .....

6. Do you feel that the work you do contributes to the achievement of the municipality's goals?

YES OR NO

Please comment: .....

7. Is the level of training and development you receive adequate? Or, What ways, if any, has your experience of working for the Municipality supported your personal or professional development?

YES OR NO

Please comment: .....

8. How do you feel about your promotional prospects?

9. If you can leave the municipality, will you leave with positive, negative or mixed feelings?

Please comment: .....

10. Are there any general comments (positive or negative) regarding:

- The organization
- Processes and Practices
- Leadership and People
- Climate and Culture

Positive: .....

Negative: .....

11. Are there any recommendations you would like to make regarding the above or in general?

12. How do you get along with your supervisor? (Access, treatment, support, openness, acknowledgement)

Comments: .....

13. How do you get along with your colleagues?

Comments: .....

14. How adequate is your salary, benefits and general working conditions?
15. Are you happy with the freedom you have to make your own decisions?
16. What actions, if any, would you suggest management take to improve the following?
  - a. Systems and procedures
  - b. Quality of work life
  - c. Communication/ Consultation
  - d. Quality of work life
  - e. Access to information
17. Would you recommend Council as a good employer? Why?
18. What would influence you to re-consider your resignation/retirement? OR - Under what circumstances would you withdraw your resignation or return to work on post-retirement contract?
19. Any additional comments: .....
- .....

Thank you for your co-operation!

## **Appendix D:**

### **Interview questionnaire – Focus groups (Strategic HR Officials)**

#### BIOGRAPHICAL INFORMATION

Name: .....

Designation: .....

Department: .....

Gender:    (a) Male                      (b) Female

Race:        (a) African            (b) Coloured            (c) Indian            (d) White            (e) Other

Age:        (a) under 25            (b) 25–34            (c) 35–44            (d) 45–54            (e) 55 and over

.....

1.    The municipality has a Retention Strategy. How is it implemented currently? Is it targeting certain group of professionals or all employees within the municipality?
2.    When was this retention strategy developed and initially implemented?
3.    Are all municipal employees aware of this retention strategy?
4.    How involved are the line-managers (or departmental heads) in the implementation of the retention strategy?
5.    How is the retention strategy implemented in order to retain scarce skills within the municipality?
6.    In your own opinion, do you think this retention strategy is effective in terms of retaining scarce skills within the municipality? Elaborate.
7.    How is the retention strategy linked to the recruitment and selection process?

8. One of the drivers of the municipality's retention strategy model is the personal retention drivers – How is the municipality achieving its scarce skill retention goals by implementing this driver?
9. How is the strategy achieving the scarce skill retention goals by making use of work environmental drivers?
10. How is the municipality making use of the organizational retention drivers in order to achieve the aims of the retention strategy?
11. What do you think are the strengths and weaknesses of the municipality's retention strategy?
12. Is the Executive Management supportive of the retention strategy?
13. Does the municipality have a retention committee made up of different managers from different departments to coordinate the implementation of the strategy?
14. In terms of the SDBIPS results for the previous financial years, are the targets met pertaining to retention of scarce skills?
15. Do you think employees subscribe to the vision and mission of the municipality? Elaborate.
16. Are there any general comments (positive or negative) regarding the municipality's retention strategy?

Positive: .....

Negative: .....

Thank you for your co-operation!

## **Appendix E:**

### **Interview questionnaire – Focus groups (Recruitment Officials)**

#### BIOGRAPHICAL INFORMATION

Name: .....

Designation: .....

Department: .....

Gender:    (a) Male                      (b) Female

Race:        (a) African            (b) Coloured            (c) Indian            (d) White            (e) Other

Age:        (a) under 25            (b) 25-34            (c) 35-44            (d) 45 – 54            (e) 55 and over

.....

1. Does the municipality have a Recruitment Policy? If yes, does it specialize in a particular field, in particular scarce skills?
2. How is the recruitment process implemented to ensure retention of scarce skills?
3. Do you have an extensive database with names of the top employees in a particular field?
4. Do you have an informal network with other recruitment practitioners?
5. Do you often experience difficulty attracting the required skills to the municipality? Elaborate.
6. How often do you find the right candidates?
7. Do you conduct inductions and exit interviews?
8. How involved are the line-managers (or departmental heads) in recruitment and selection of their staff?

9. Are you continuously hunting for the right skill? Or, do you do that only when there is a vacant position?
10. Do you conduct in-house skills testing (e.g. psychometric tests)?
11. What do you think are the strengths and weaknesses of the municipality's recruitment and selection process?
12. Do you think employees subscribe to the vision and mission of the municipality?
13. Are there any general comments (positive or negative) regarding the municipality's recruitment and selection process?

Positive: .....

.....

Negative: .....

.....

Thank you for your co-operation!